

JPRS 79551

30 November 1981

# Latin America Report

No. 2409

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30 November 1981

## LATIN AMERICA REPORT

No. 2409

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## NEW ENERGY PLAN INTRODUCES REFORMS TO RISK CONTRACTS

Buenos Aires CLARIN in Spanish 6 Oct 81 pp 12-13

[Text] Revision of the fuel plan, recently approved by the president of the Nation, Roberto E. Viola, although not released publicly, includes private investments amounting to \$2 billion, state contributions amounting to \$30 billion in the next 20 years, a revision of risk contracts and an increase in the participation by gas in the overall consumption of energy.

The new guidelines established, in order to achieve self-sufficiency in energy and the exportation of 2 million cubic meters of oil a year starting in 1985, take into account assumptions on the behavior of demand and of the evolution of production derived from gross domestic product rates of 3.5 and 5.5 percent a year for the period 1981-2000.

#### Oil Program

The modifications to be introduced in risk contracts will consist, basically, in a simplification of the formulas for adjusting the prices paid to contractors and by the introduction of permits for free availability of extracted oil once self-sufficiency has been attained.

The existence of these points in risk contract regulations "are probably limiting participation by private enterprises," in the opinion of the Ministry of Public Works and Services, "and based on the intention to generate greater incentives for investment. we proceeded to revise them."

At the same time, increases will be introduced in the prices received by Government Oil Deposits, bringing them closer to the cost of imported oil.

These adjustment will be applied during the next 9 months and will exceed the evolution of the cost of living. The increase applied last month was already between four and five points greater than the evolution--estimated at 7.5 percent--observed by retail prices during September.

During the adjustment period, it will be necessary to cover the discrepancy in the progress of prices for oil supplied to YPF--which, according to studies by the Under Secretariat for Fuels, amounted to 60 percent during the last 12 months--thus reducing the difference between the \$83 and the \$280 paid for a cubic meter of oil produced locally and for imported crude, respectively.

With regard to the marketeting price of gasolines, a readjustment program could also be applied, in view of the fact that--according to studies on fuels--the average price of fuels attains a level--in constant terms--35 percent below the prices prevailing in 1975.

#### Use of Gas

Also in the case of gas, the text of the fuel plan incorporates granting free availability of production, in a first step, for carrying out subsidiary projects.

Under this heading, an incentive to private investments is anticipated, for the purpose of intensifying participation of gas in the overall consumption of energy.

The estimates made indicate that gas should increase from 24 percent at present to 33 percent of the total demand in the next 10 years.

This means that in 1990 the amount of gas consumed will have to be tripled.

In addition to its utilization as a petrochemical raw material, the fuel plan computes a larger production of liquefied gas and a study of its application--together with compressed gas--as a substitute for gasolines for motor vehicles.

With regard to coal--the third fuel included in the plan--studies are proceeding more slowly, especially owing to the restrictions imposed on private participation by the slight difference recorded between the cost of mining and the selling prices.

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CSO: 3010/98

## NATION SOON TO EXPORT HYDROCARBONS, SAYS OFFICIAL

Buenos Aires LA PRENSA in Spanish 16 Oct 81 p 9

[Report on the UN world conference on new and renewable energy sources, held in Nairobi, 10 to 21 August 1981, by Engineer Guillermo Wallbrecher, under secretary for fuels, and Dr Leandro Pita Romero, a newsman, to a group of technicians and industrialists, in the UN Information Center; date not given]

[Text] "Argentina will shortly become an exporter of hydrocarbons and with regard to natural gas its reserves are sufficient for 60 years." These remarks were made by the under secretary for fuels, Engineer Guillermo Wallbrecher, as he reported to a group of technicians and industrialists on the results of the United Nations world conference on new and renewable sources of energy, held in Nairobi between 10 and 21 August this year.

A newsman, Leandro Pita Romero, Jr, also summarized his impressions, ~~gahos~~ in the conference, on the platform set up specially in the auditorium of the United Nations Information Center. Thelma O'Con-Solorzano and the ambassador of Zaire, Murairi Mitima Kaneno, were also on the platform.

By means of a brief presentation or in response to questions put to him, Engineer Wallbrecher began by stating that Argentina participated in the conference with a large delegation "owing to the importance of the main topic of the meeting. He said that there is no longer any doubt that energy represents an unquestionable value, as well as that the United Nations are playing a catalyzing part through its events tending to raise the people's living standard.

## Increase in Gas Reserves

"There are countries that have no natural sources of energy. Their situation is critical. Firewood and draft animals are the only resources that they have. Over half the world's inhabitants live in rural areas. Therefore, our country," the under secretary for fuels stated, "occupies a privileged position among all the nations in the world."

Farther on, Engineer Wallbrecher stated that, in view of the "dramatic situations presented in the Nairobi conference, we are pleased to state that Argentina has increased its natural gas reserves in the last 4 years. It can look forward," he said, "to becoming shortly an exporter of hydrocarbons, while with regard to natural gas, the reserves are sufficient for 60 years."

## Oil Substitutes

In reply to other questions put to him, the under secretary for fuels admitted that the possibility of replacing oil with gas is being studied, for example in use by automobiles, as is happening in other countries. "Although this has not been gone into deeply, a Canadian delegation will visit us shortly to go more deeply into this subject, although," he emphasized, "there still are areas to be explored and surely to exploit oil on our territory."

Finally, Engineer Wallbrecher announced that the budget for energy conservation for the next 5-year period ranges between \$12 million and \$15 million.

## Dr Pita Romero

In turn, after Dr Pita Romero made it clear that because as a journalist "he would only contribute a modest opinion," he stated that "what would have to be evaluated is what was attempted in the Nairobi conference and what its results were."

He recalled his attendance at another international conference held in 1972 "at which time the deterioration of the environment that might be caused by an increase in pollution was already foreseen and it must be said that up to now there is no legislation protecting species." When he mentioned what was brought up in Nairobi, he maintained that it was "frightful."

## Need for Increasing Hydrocarbons

"It was said that, in view of the world shortage of hydrocarbons, the developed countries would have to increase their production by about 30 percent, in order to cover their needs in only 19 years remaining until 2000. But the worst thing," Dr Pita Romero added, "was when developing countries were discussed, it was estimated that the increase in production should amount to 300 percent and I wonder what is being done so far."

Next, he discussed the problem of a lack of firewood, the cutting of forests, estimated at millions of hectares a year. "This means," he said, that when a resident of rural regions moves to a big city, another problem begins there, the problem of the poverty districts observed in almost every large city."

## Six Billion Inhabitants

Later, Dr Pita Romero mentioned the figure estimated for the year 2000 pertaining to world population. "It was said in the meeting that it would amount to 6 billion and this makes us reflect on beginning to take right now steps necessary for counteracting the energy shortage that may be recorded. I do not believe that we are condemned to failure," he added, "but mankind will have to make an effort to find adequate solutions."

Finally, Dr Pita Romero expressed his reservations on the possibility of finding a substitute for oil and he stated that "if what is sought is the obtention of another cheaper product, I do not believe that it is possible, because oil covers practically the entire energy spectrum in the world in which we are living."

## DETAILS ON ARA-XI OIL WELL PUBLISHED

Buenos Aires LA PRENSA in Spanish 6 Oct 81 p 1

[Text] Drilling of an offshore oil well, opposite Tierra del Fuego, was completed successfully by using the Rio Colorado 1 jackup.

The initial flow was estimated at 600,000 cubic meters of gas a day, also with 40 cubic meters of condensate a day.

According to what was reported officially by YPF [Government Oil Deposits] yesterday evening, "Drilling of Well ARA-XI, the first one drilled in Tierra del Fuego offshore Area 1, was completed successfully with an initial flow of 600,000 cubic meters a day and 40 cubic meters of condensate a day.

"The well, located 8 kilometers from the coast, is operated by the Total-Deminex-Bridas Company, which acted as contractor for YPF, a state enterprise.

"This result was achieved when a depth of 1,733 meters was reached and it was obtained in the preliminary tests made on the Springhill Formation.

"While a detailed analysis is being made of the technical data obtained at ARA-XI to evaluate the actual scope of the discovery, the Rio Colorado 1 jackup that performed the drilling will be moved to continue exploration activities at another location in the same area," YPF announced finally.

It should be pointed out that the Rio Colorado 1, which completed its activity at this well successfully, underwent an accident, fortunately without consequences, when it was taking position, on 15 July, to start operations.

As was reported at that time, when the ground on which one of its legs was supported gave way, the jackup leaned dangerously by about 9 degrees without causing accidents to persons.

A few days later, when this emergency had been overcome, it began its tasks that have ended now with this new discovery of oil in this well located between the coordinates of 52°40' and 68°23'.

[Map on next page]



Well ARA-1, located opposite the coast of Tierra del Fuego, where an oil well with a daily flow of 600,000 cubic meters of gas and 40 cubic meters of condensate, is shown on the map.

Key:

1. Strait of Magellan
2. Argentine epicontinental sea

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CSO: 3010/98

**OFFICIAL PROPOSES INTERNATIONAL OIL PRICES FOR EXPORTS**

Buenos Aires LA NACION in Spanish 14 Oct 81 p 15

[Text] The under secretary for fuels, Engineer Guillermo Wallbrecher, was of the opinion that Argentina can achieve self-sufficiency in oil and begin to export energy, but he pointed out that this would require bringing fuel prices up to international levels.

He stated, for example, that Government Oil Deposits (YPF) receives for every cubic meter of oil that it delivers to the refineries—including its own—the equivalent of \$80, while the international FOB price is \$220. He believed that an even partial correction of that discrepancy would make it possible to have "one of the richest oil enterprises in the world." In that way, it would be possible to cover its costs, pay private contractors and grow without additional indebtedness beyond the present debts, which he estimated at \$4.5 billion. Under the present circumstances, he believed "state capitalization" inevitable, because a price increase could not compensate for the financial discrepancy.

"Argentina seems to have overlooked the fact that there was an oil crisis in the world in 1973," he added. He said that in 1981 fuels still cost, in our country, practically the same, in real terms, as in 1960.

"I should like to know of what country in the world the same can be said."

By way of example, he pointed out that Argentine prices range between 25 percent and 40 percent below prices in Great Britain, which is at the limit of self-sufficiency.

**Production**

YPF oil production in September this year (according to provisional figures) was 2,323,102 cubic meters, including 1,483,742 cubic meters extracted by YPF by administration and 839,360 by contract.

With these figures, total production in the first 9 months of 1981 amounts to 21,245,713 cubic meters. This includes 13,615,622 cubic meters by YPF by administration and 7,630,091 by contract. In that same period, 528 wells were completed (373 by administration).

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## ENERGY OFFICIAL OUTLINES STEPS TO REDUCE YPF DEBT

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 6

[Report on press conference held by the under secretary for Fuels, Engineer Guillermo Wallbrecher, and Engineer Ruggero Scalisi, national fuel director]

[Text] The under secretary for Fuels, Guillermo Wallbrecher, stated that the liabilities of Government Oil Deposits [YPF] in August--which practically have not changed at present--amount to \$4.5 billion. He said that, in his opinion, the solution for the enterprise is its capitalization by the state, together with an increase of the prices for its products, until prices consistent with international prices have been attained.

During a press conference, the official described as false the idea that an increase in fuel prices generates the same proportion of inflation, although he admitted the "sharp impact of taxes on the price of gasoline, which absorbs 50 percent of the final price."

He also stated that, at present, some 6 million cubic meters of gas are burned. This equals 20 percent of consumption. Therefore, it is necessary to adopt a series of measures like the measure on the use of gas in the petrochemical industry. He also stated that an analysis is being made of the possibility of using it to replace gasoline for motor vehicle propulsion, either in liquefied or compressed form.

The national fuel director, Ruggero Scalisi, spoke on this last point. He stated that, if gas is adopted as a substitute for gasoline, the country would save the expenditure involved in buying fuels abroad.

#### Devaluation

When he commented on the situation of YPF, Engineer Wallbrecher maintained that the devaluations of the Argentine peso with regard to the United States dollar increased the debt of the enterprises. This meant an increase in its financial costs.

He also pointed out the incongruity of the fact that YPF is receiving the equivalent of \$80 for each cubic meter of oil, when the international FOB price for crudes is around \$220.

"Even with prices," he added, "far from the international prices, but at more realistic levels, the enterprise could pay its costs and, without additional indebtedness, have the funds needed for performing its part in developing the specific oil program and for paying private contractors."

He proposed the same situation for the prices of liquid derivatives, primarily gasolines and diesel oil, "which are relatively low in comparison with the average prices prevailing in other countries, between 25 and 40 percent of the prices in England."

#### Taxes

When he discussed the topic of taxes, the official admitted the sharp impact caused by taxes on the price of gasoline, which absorbs 50 percent of the final price, but he admitted the legitimacy of the recourse, owing to the fact that every country in the world uses fuels as a means for obtaining fiscal revenue.

He also pointed out that "we are afraid of fuel prices, because we associate them with any increase in inflation. "And this happens," he said, "because we try to overlook the fact that we do not pay this cost directly. We pay it by means of the tax, or, what is worse, with real inflation."

Wallbrecher pointed out that the country seems to have ignored the fact that there was an oil crisis in the world in 1973 and that "not only was that situation forgotten, letting prices drop to the present level, but also subsequent increases that occurred in the price of the product, especially since June 1979 to date, were ignored."

Finally, and concerning natural gas, he was of the opinion that there is no one who can maintain sensibly that the price is high. "Of course," he added, "with this price, State Gas cannot pay its costs, is undergoing losses and is incurring indebtedness," but so that no one may think that there are problems of inefficiency, he pointed out that the purchase cost of gas, added to amortizations and to purchases of other goods and services, now exceeds the income from its sales.

The reality of the topic--he concluded--is that the established price is appreciably lower than is needed.

#### Gas in Motor Vehicles

In turn, Engineer Scalisi stated that the use of liquefied gas for operating motor vehicles has no technical disadvantages. He compared its use in other countries, for example in Italy where 750,000 metric tons are consumed, while in Japan over 300,000 vehicles [run on gas].

Finally, he said that the present vehicles can be adapted for the alternate use of liquefied gas or compressed gas, and also the fuel that they normally use.

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CSO: 3010/98

## YPF DIRECTOR COMMENTS ON NEW GAS DEPOSIT

Buenos Aires CLARIN in Spanish 7 Oct 81 p 14

[Report on a radio interview with Gen Carlos G. Suarez Mason, president of Government Oil Deposits, by Bernardo Neustadt]

[Text] Discovery of a gas deposit in the area adjacent to the coast of Tierra del Fuego, in the area under concession to Total Austral as operator for its exploration and exploitation, was emphasized by the head of YPF [Government Oil Deposits], Gen Carlos G. Suarez Mason, owing to its great importance in Argentina's possibilities for exporting hydrocarbons.

"In this specific case, it is purely gas," General Suarez Mason stated during a radio interview conducted by Bernardo Neustadt, "but the finding of gas in the area of the island and the adjacent sea is very interesting, because it can be industrialized and exported from there," he added.

Suarez Mason stated that oil imports "are not excessively burdensome, if, at the same time, some byproducts are exported, because what counts in the end is the balance measured in oil equivalent tons." Then he specified that, as of the end of July this year, the annual balance "was in our favor by \$120 million and in July 1980 it was unfavorable by almost the same amount. That means that in a year we progressed by \$240 million."

Nevertheless, he pointed out that the larger export volume of hydrocarbons recorded in 1981 is associated with the decline in local demand. "Therefore," he added, "it was able to go up a little more than what might have happened at other times." When he was asked about the loan of \$200 million obtained by the enterprise, Suarez Mason said: "YPF always has a good image abroad." He concluded by pointing out that the enterprise is "a magnificent cartel for Argentina."

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CSO: 3010/98

## MENDOZA PROVINCE PRESSES FOR EXPEDIENCY ON DAM CONSTRUCTION

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 8

[Text] Mendoza (NA)--The governor, retired Brig Gen Rolando Jose Ghisani, will try today to convince three national ministers on the need for expediting work on the Potrerillos multiple exploitation, a hydroenergy project vital to the immediate future of Mendoza, made urgent owing to expiration tomorrow of the time limit decided on by six international consortia for maintenance of their bids.

Ghisani will meet with the minister of Interior, Gen Horacio Tomas Liendo; the minister of Economy, Treasury and Finance, Dr Lorenzo Sigaut, and the minister of Public Works, retired Gen Diego Urricarlet, in a search for the necessary political support that will eliminate a certain amount of official lack of confidence concerning the real possibilities of profitability and self-financing of the construction job at a time when restraint of public spending has taken on dimensions of national priority.

Locally, it is believed that Potrerillos will be financed by funds from Mendoza Energy State Company (EMSE), obtained from the power generated by six hydroelectric plants and distribution of power to an extensive network of 244,000 users.

Gen Aniceto Perez, Argentine Army, Retired, head of EMSE, revealed that, in addition, funds derived from the "buyer credit offered by the bidding consortia themselves" will be used. If that is not sufficient to take care of the total cost of Potrerillos, "there are firm offers from those same consortia to supply the funds needed for that purpose."

At a cost estimated now at \$467 million, the Potrerillos complex will be constructed 50 kilometers from Mendoza, on the bed of the Mendoza River, the only waterway in the province that is not yet controlled, in order to improve an area in which 60 percent of its total population is located and in which somewhat more than 60 percent of its gross domestic product is generated.

The hydroelectric undertaking, called "the largest construction job of the decade in Mendoza," will make it possible to attenuate the annual losses caused by perennial high water and floods in various agricultural and industrial regions. It will ensure a supply of drinking water for a vast sector. It will facilitate the organization and systematization of surface and underground water and the irrigation system. It will create a considerable tourist attraction in the middle of the mountain range and will open the way to a provincial energy policy with the placing in operation of three powerplants, which, together, will generate 800 gigawatt hours a year, a power similar to the power generated by the three El Nihuil powerplants.

## OIL REVENUE ESTIMATED AT 61 BILLION BOLIVARS

Caracas EL NACIONAL in Spanish 29 Oct 81 p D-13

[Text] "The petroleum revenue earning target for the 1982 budget has been determined with caution and realism."

This statement is made by Energy and Mining Minister Jose Ignacio Moreno Leon when he was questioned before the Finance Committee of the Chamber of Deputies at the start of the analysis of the budget draft which that permanent committee is now undertaking under the chairmanship of Luis Enrique Oberto.

Moreno Leon, who was accompanied by the PDVSA [Venezuelan Petroleum, Inc] president and advisor from his office, met behind closed doors with the committee members and stated the reasons behind the price and petroleum output figures given for the next year by the petroleum industry and the administration.

The minister said that the petroleum revenue earning levels estimated for 1982 come to 61.12 billion bolivars and that this goal can certainly be achieved but it is, if anything, a cautious and realistic figure. It is based on an output of 2,158,000 barrels of crude per day and 60,000 barrels of gas per day and an export volume of 1.79 million barrels per day with an average sales price of \$30.41 per barrel.

The latter figure is arrived at by calculating the government share and export industry share at \$38.71 per barrel; this, as we said before, will give us a figure of 61.12 billion bolivars for the national treasury and 12,931,000,000 bolivars for the Petroleum Industry Reserve Fund.

The above figures make it possible to guarantee a contribution to the budget on the order of 70 percent of the total regular revenues; this signifies a reduction in petroleum dependence since, for the current year, this contribution is estimated at a figure which is 6.5 percent higher than the 1982.

In emphasizing the certainty in the Energy and Mining Office as to the attainment of the proposed revenue target, the minister said that this confidence is based on the fact that the new refining standards will go into effect next year at the Amuay Refinery in El Palito. This will introduce a substantial improvement in our export package by permitting a production of a larger percentage of gasoline and a reduction in residual products.

The possible standardization of prices, which is currently being discussed during the special meeting of OPEC ministers in Geneva, to level crude prices off at \$34, will also have an additional positive effect on the value of the country's petroleum exports.

As we know, once this price adjustment has been made, this will signify a net increase in light crude since Saudi Arabia will raise the price on that product from \$32 to \$34 and only a very small volume of crude from other countries, including Venezuela, would go down to \$34 because it is above that price right now.

As for the estimated export figure, Moreno Leon concluded by saying that it is likewise conservative since, in spite of the relative shrinkage of the worldwide petroleum market, Venezuela is not having any trouble in selling its crude and byproducts in view of the competence of its trade policy and by virtue of the guarantee behind its supplies in terms of the geopolitical situation; this offers our traditional and nontraditional customers the opportunity to purchase additional petroleum.

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## CALDERON BERTI DISCUSSES OPEC OIL PRICE DECREASE

Caracas EL NACIONAL in Spanish 30 Oct 81 p D-1

[Article by Cayetano Ramirez: "Price Reduction Will Not Affect Venezuela"]

[Text] Geneva, 30 Oct--Venezuela will not be affected by the OPEC decision to raise the standard petroleum price to \$34 per barrel because there will be a compensatory effect on the prices for its different crude products for 1982, said Minister Calderon Berti in this city.

Venezuela will maintain the same prices as those that apply to medium crude; it will reduce the price on light crude by \$1 and will increase the price for heavy crude by the equivalent of 50 cents per barrel, with the latter constituting the largest output volume.

Shortly after the end of the OPEC meeting tonight, Calderon announced that Venezuela would raise the value of its heavy and extra-heavy crude which comes to 760,000 barrels per day. Light crude accounts for a volume of 326,000 barrels and medium crude comes to 235,000 barrels per day.

In his statement, Calderon pointed out that the basic reason why Venezuela supported the OPEC decisions involved solidarity and support for the unity of the organization, in line with the market situation, and by virtue of the fact that there is a group of countries in OPEC whose members felt the very strong effects deriving from the lack of price standardization.

The decision will be beneficial both to the exporters and to the consumers of petroleum and will create a balanced situation on the market.

In raising the petroleum price of Arab Light from \$32 to \$34 per barrel, prices for 40 percent of OPEC output also went up. Calderon indicated that there will be a recovery of prices on refined products during the next several months and as a result of the OPEC decision.

In stressing the importance of price standardization, Calderon said that this decision cannot be viewed in isolation from the worldwide economic context. "We support it as a contribution by OPEC which must be accompanied by important decisions in other fields of the international economy, fundamentally in the area of food, agriculture, commerce, money and finance, as well as raw materials, among

other things, which would promote the entire international community and fundamentally the developing countries."

#### Strategy Committee Meets

The OPEC conference ended last night but the organization's long-term strategy committee will meet today at noon under the chairmanship of Minister Yamani.

The committee, which is trying to work out an action line on prices and in other sectors in long-range terms, consists of the ministers of the five founding countries; i.e. Saudi Arabia, Iran, Iraq, Kuwait, Venezuela, and Algeria.

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## CENTRAL AMERICAN ANTI-IMPERIALIST FRONT TO BE CREATED

Managua EL NUEVO DIARIO in Spanish 17 Oct 81 p 5

[Text] The creation of a Central American Student Anti-imperialist Front, the presence of approximately 700 former Somoza guardsmen in El Salvador and the brutal repression being suffered by the universities of Guatemala and El Salvador were the most significant subjects discussed by student leaders during an interview for END [EL NUEVO DIARIO].

The genocidal guardsmen, who caused so many deaths and so much pain for the people of Nicaragua for several years, particularly in the final stage of the insurrection spearheaded by the FSLN [Sandinist National Liberation Front] are now sowing the seeds of terror and death among our brother Salvadorans.

Carlos Rico, head of the General Association of Salvadoran University Students (AGEUS) reported that in the eastern region of El Salvador there are about 700 former Somoza guardsmen who have received military training in camps in Honduras and Miami. These genocidal guardsmen are receiving military equipment and food by means of helicopter gunships sent by the United States.

The former Somoza guardsmen received a great combat lesson from our people, and in El Salvador the revolutionary forces have also hit them hard. Rico reported that in a military operation against a line of trains transporting these genocidal guardsmen to the eastern part of the country the latter suffered 75 casualties. Most of the genocidal guardsmen died, Rico said.

More 'Advisers'

Rico also reported that American military advisers in his country have now been increased, as the result of the most recent overwhelming defeats suffered by the military forces supporting Napoleon Duarte's Democratic Christian Junta.

Another plan being coordinated by the Governments of El Salvador and Honduras is the rounding up of the refugees on the Honduran-Salvadoran border. The refugees are charged with aiding the Salvadoran guerrilla force. Many of the refugees have been brutally assassinated.

On another subject, Rico said that university students and young progressives from Costa Rica, Honduras and Panama have carried out enormous mobilizations in their

respective countries in solidarity with Nicaragua and in repudiation of the recent military maneuver, "Halcon Vista," in Honduras.

In Panama, students protested in front of the American Embassy. Daily students are issuing communiqus and statements of solidarity with Nicaragua and denouncing the military repressions being experienced by the university communities of Guatemala and El Salvador.

#### Mobilization Continues

The delegate of the Oliverio Castaneda University Students Association of Guatemala to the Federation of Central American University Students (FEUCA), Nestor Perez Gomez, said that the mobilization of Central American university students is continuing because the dangers of imperialist aggression still exist. "The Halcon Vista maneuver could have been an exploration of the terrain," the student leader said, "and we are going to create a Central American United Anti-Imperialist Student Front which will be responsible for coordinating and fomenting mobilizations of solidarity with the peoples of Nicaragua, El Salvador and Guatemala.

#### Alert 24 Hours a Day

"We Central American university students are on the alert 24 hours a day, and we are going to receive the support of the Continental Organization of Latin American Students (OCLAE) and the International Union of Students (IUS)," Perez Gomez said.

"We Central American students, like the popular and progressive students organizations of the world, are engaged in a struggle for a more just social order."

The 20th of October will be declared an international day of solidarity with the students and people of Guatemala who are struggling for their total liberation.

On 20 October 1944, there was a civilian-military uprising in Guatemala which ended 30 years of dictatorship under Gen Jorge Ubico.

The 20th of October 1978 is also a historical date which commemorates the death of student leader Oliverio Castaneda.

This student was assassinated a few mete.s from the National Palace by repressive military forces.

The student movement of Guatemala commemorates the death of this brave student leader, with great admiration and respect.

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CSO: 3010/188

## 'DRASTIC' DECREASE IN CENTRAL AMERICAN ECONOMY NOTED

Guatemala PRENSA LIBRE in Spanish 18 Oct 81 p 6

[Text] The economy of Central America has experienced a drastic decrease in the past few years, causing conflicting situations that the Ministers of Economy and the presidents of the Central Banks of the Isthmus discussed in Costa Rica last Thursday and Friday.

A report by the technical department of the Secretariat of Central American Economic Integration (SIECA) presents various aspects of the regional economic situation during the period 1978-1980.

Because of a combination of internal factors, as well as the adverse international economic situation, according to the report, in the last 3 years the region's gross domestic product (PIB), measured in 1970 constant prices, increased by an average annual rate of barely 1 percent.

This means a substantially lower growth rate than that of the Central American population, and this economic growth rate which measured average economic expansion was decisively influenced by the recessive situation in Nicaragua and El Salvador.

In those countries, the report states, the economic growth rates during the period 1978-1980 were negative [as published]: 6.1 in Nicaragua and 5.0 percent in El Salvador.

For the rest of the countries, there was also an obvious weakening of the economies, with the PIB growth rate clearly recessive but not reaching negative figures.

Beginning in 1978, a continual decrease in the rate of economic expansion was noted in Guatemala, Honduras and Costa Rica, a situation which became more acute in 1980, principally for the last two countries.

Economic activity in the area continued to depend basically upon the agricultural-livestock, industrial and commercial sectors which altogether represent approximately 64 percent of the total PIB.

In the last 3 years, these sectors experienced a significant downward trend, particularly in the agricultural-livestock sector, which dropped gradually from a growth rate of 5.4 percent in 1978 to 0.6 percent in 1979 and to 1.9 percent in 1980, with the exception of Guatemala which registered an increase of 2.5 percent in that sector.

### Other Factors

During the period under consideration, the SIECA report notes, the rest of the sectors which figured or figure in the gross domestic product, with the exception of public administration and mines and quarries, experienced a slow growth rate.

With respect to the last sectors mentioned, public administration continues to experience sustained dynamism; its share of the PIB was raised from 7.4 percent in 1978 to 8.5 percent in 1980, the year in which it experienced a 12.4 percent increase, still in 1970 constant prices.

For its part, the mines and quarries sector has experienced a considerable growth rate, although it continues to be of little significance in the PIB.

This sector experienced a sustained growth rate from 22 percent in 1979 to 25.1 percent in 1980, with an increase in its share of the PIB from 0.3 to 0.5 percent from 1978 to the last year under analysis.

### Guatemala's Participation

In this regard, the report states that growth in this sector is due basically to Guatemala's having registered growth rates of 87.5 percent and 57.0 percent in 1979 and 1980, respectively, which significantly raised its share of the total PIB generated by Central America in this sector, from 20.1 percent in 1977 to 39.0 percent in 1980.

TABLE

### Central America

#### PIB Growth Rates 1978-1980

(at 1970 constant prices)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1978-1980</u>
Guatemala	5.0	4.5	4.0	4.2
El Salvador	4.0	1.1	8.7	5.0
Honduras	7.0	6.7	2.0	4.4
Nicaragua	7.1	25.8	18.9	6.1
Costa Rica	6.3	3.3	1.7	2.5
Central America	3.6	0.4	2.3	1.0

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CSO: 3010/218

## PRESS COMMENTS ON BUSINESSMEN'S DOCUMENT

## Document Analyzes Businessmen's Policies

La Paz PRESENCIA in Spanish 27 Oct 81 p 3

[Text] At the end of a special national meeting, the Confederation of Private Businessmen released a document expressing its concern with the country's serious political, economic, and social crisis. In clear, sincere, and specific terms, it expresses viewpoints on the nation's problems regarding fundamentally the missions of the Armed Forces in the government and the specific mission which they would have to be accomplishing in accordance with the laws governing their status.

The document defends the position of civilian control and points up the need for civilians to assume broader duties and responsibilities in solving the nation's problems. It underscores the right of the civilian establishment, as the nation's majority force, to appoint its own rulers and, with patriotism, efficiency, and honesty, to tackle this phase of the crisis which, it is noted, tends completely to degrade the cement that holds the nation together.

It is further pointed out that "due to the absence of institutions" called upon to illustrate the situation of deterioration, of frustrated hopes, and defeatism among the Bolivian people, the confederation took upon itself the job to alert the nation to this situation and to do so, "knowing full well the risks" incurred. The document says: "The time has come for the civilian sector to participate increasingly in the proposals and solutions designed to extricate the country from its abysmal problems."

The private businessmen pointed up the dangers inherent in exhausting the resistance capacity of the Bolivian people which might degenerate into fundamental changes in its state of mind due to the development of an inclination toward violent change, with consequences that nobody wants.

The organization which consists of all Bolivian businessmen summarized its thinking in five points demonstrating the country's real situation and suggesting major steps to correct it; in the first three points, it describes the false impression existing in the Armed Forces regarding what the people feel with relation to the nation's problems and their possible support for governmental schemes on a military basis; in the fourth point, the document notes some possible and immediate solutions. It suggests leaving the office of the president of the republic as it is

and putting together an eminently civilian cabinet, along with the appointment of a prime minister; in other words, the demilitarization of the national administration. It underscores the convenience of having the Armed Forces concentrate on their specific mission of defending national sovereignty and law and order at home from the position assigned to them by law.

Of course, the document adds that the government scheme would be valid only up to the definition of public powers in the constitution. Finally, it agrees with the administration as to the need for a political truce and dialogue throughout the land among all Bolivians in order to restore the current situation.

The document thus is a sample of what the entire Bolivian people feels: The need to return to the road of legality by institutionalizing the powers of the state and full effectiveness of all rights spelled out in the laws. In this connection, it stresses the urgent need for the government to adopt immediate measures that would correct the current situation of deterioration which, as everybody knows, has become worse since July 1980, with a coup which at the time was said to have been intended to save the country from chaos and anarchy." That salvation did not come and, on the contrary, the situation has gotten worse, bringing us to the deepest abyss which we have ever seen.

We are sure that the administration and the Armed Forces will understand the real meaning of what the private businessmen said, without suspecting any "trend toward conspiracy" or any "extremism" or any other slogans which have been invented in the past when it came to telling the truth as it is and that we may hear some clear language which will outline positions differing from those who very often believe themselves to be the only custodians of the truth and the solutions which the nation needs.

The nation, in all of its segments, wants the best solutions but it wants them on the firm foundations of concord, dialogue, and harmony. The people are tired of promises, declarations, and plans that are not carried out and they are also tired of incitement to violence. With much patience, the people have been hoping for measures which would reconcile the interests of all--provisions which will not be simple palliatives; above all, the people are looking forward to the concrete expression of respect for their dignity and the rights spelled out in the constitution and the laws.

#### President's Reaction to Document

Cochabamba LOS TIEMPOS in Spanish 29 Oct 81 p 4

[Article by Samuel Mendoza: "Rupture Not Advisable"]

[Text] The reaction of the president of the republic to the document disseminated several days ago by the Confederation of Private Businessmen has caused concern in all or most of the sectors of the citizenry. It must be noted that private enterprise, profoundly worried over the country's serious economic, social, political, and moral crisis, felt that it was necessary to make its position known and to express some of its suggestions which to a certain degree might contribute

to the solutions needed for the nation's problems. Along with recalling the events of the past that led to the current state of affairs, the confederation submitted, for consideration by the government of the armed forces, a series of proposals that should be properly analyzed in order to derive from them those positive aspects that could be of service to those who today are responsible for managing the nation's destiny. We sincerely believe that--with the exception of the polemical and conflict-promoting suggestion to the effect that a civilian "prime minister" be appointed to assist the military president, a suggestion which is outside the republic's institutional and constitutional framework--the businessmen's proposals have a sincere foundation aimed at helping to extricate the country from the serious condition it finds itself in.

The immediate reaction from the president, Gen Celso Torrelio, as a matter of fact is a kind of rupture between two of the nation's main pillars: the government and private enterprise; this rupture will only make the country's ills worse, in full awareness that private enterprise must be the spearhead in the fight to obtain the objectives of development and prosperity for Bolivia and Bolivians.

It has been admitted on more than one occasion--and president Torrelio himself has done so in his speeches--that the government enterprises have not been well managed. We also know that most of them are bankrupt or are just about bankrupt. Recognizing this reality, the administration's program, approved several days ago, certainly does assign utmost importance to the development of private activities throughout the land. Moreover, this program recommends the transfer of some government enterprises to private initiative on the basis of new rules of the game and an investment law which will provide more opportunities precisely for the development of highly productive private activities.

The president of the republic apparently considered the businessmen's document from the negative viewpoint. There is no doubt that this attitude has been developing for some time now among our armed forces and their top commanders and officers as a result of charges that have been made against some of these individuals but that have not been clarified. Nevertheless, at this difficult crossroads where we are now, we must have calm and a friendly and patriotic dialogue so as to search for solutions to the nation's problems. Any break in the unity that must exist between the rulers and the governed will only lead to the further weakening of the nation which, as we know only too well, is being watched eagerly by the vultures of extremism, ready to strike at the moment at which we destroy each other.

The president said that he would no longer accept "the distortion of the truth" and he noted that "the moment has come to blend the present and the past in all of their magnitude." In this connection we would like to point out that we do not get anything out of digging up the past; it is more important for us to concern ourselves with the present in order to prepare for a better future. And both the rulers and the governed must understand that. We cannot continue to lose time by seeking out those who are responsible for the crisis; we must open up new ways to the goals desired by the people.

The president has flung a challenge at private enterprise--the challenge of "showing its real capacity, seizing new opportunities and developing techniques for the benefit of the people." The challenge will be positively accepted by private

enterprise, undoubtedly. But nothing will be possible if we do not work together and in coordination among all sectors of the nation to solve the problems of the moment before they get worse. As president Torrelio put it so well, it is necessary "to seek the foundation for solid and harmonious cooperation in the nation's economic and social development." We hope that this will be the road that will be chosen because a further rupture at this moment will only lead to even more serious situations that will jeopardize the very life of the fatherland.

Administration, Private Enterprise Relationship

Cochabamba LOS TIEMPOS in Spanish 29 Oct 81 p 5

[Article by Justo Del Rio: "Private Enterprise and Government"]

[Text] The only civilian ally of the military government that emerged after 17 July 1980 undoubtedly was private enterprise which, since 1971, has been receiving a large portion of the foreign loans given for various ambitious projects that in many cases remained nothing but caricatures of investments because various projects received considerable loans without any realistic prospects of producing anything and increasing jobs for the Bolivian people. Private enterprise in general did not manage to tackle the challenge of underdevelopment with patriotic determination and continued to be dependent on the government and on foreign supplies of raw materials and other necessary items. After wasting the loans granted by domestic banks acting as middlemen for foreign loans, many businessmen begged the government for further economic assistance and the government continued to give them money even though they were going down the drain because both debtor and creditor in the end turned out to be the debtors of foreign institutions that inevitably kept pursuing us until the moment came when we did not have a single penny to meet our obligations. We are paying off our foreign debts at the rate of \$40 million per month; this means that the foreign-exchange drain going to our creditors comes to something like 480 millions per year, leaving very little to meet the most urgent necessities of the Bolivian people.

It now turns out that private enterprise has been jousting with the military government and wants a civilian administration which would replace the setup installed in July 1980. When we had a civilian administration, private enterprise was dreaming of a military government. All of this shows that the behavior of business and industry tends toward a permanent search for a regime that would fundamentally satisfy their economic interests. In crisis situations, such as the current one, the greater burden of the sacrifice should in any case fall upon business and industry, as happened in Germany or Japan after World War II, when businessmen made only 30 percent of their really possible profits, while contributing to the country's restoration with the rest and while the workers were only getting 50 percent of their wages, contributing the difference to the national economy. That is called patriotism and, obviously, under current circumstances of severe economic impoverishment for the workers and even for civil servants, it is realized that the contribution of private enterprise must be greater than that of other sectors. The new economic scheme which the administration is advancing might possibly include that particular feature which calls for distributing

economic responsibilities more rationally. The armed forces will also have to understand the situation and contribute economically to a substantial reduction in the budget to help the government which is virtually moribund because of emaciation and financial weakness.

The time has come for every soldier to produce his own food and the time has also come for every barracks to become a center for the production of wealth for the country. Some time ago we suggested that, instead of the draft, we should broaden the foundations for mandatory civilian service for all men and women who have reached the age of 19 and who do not wish to take up arms. That system is working with optimum results in Germany through civilian volunteers who work without pay although their families get allowances and who are assigned to civilian projects and public service activities. This is a considerable saving to the country and it is also a form of positive social contribution. However, it is certainly worth the effort to manage the country with the most capable men it has.

#### Armed Forces Urged to Help

Cochabamba LOS TIEMPOS in Spanish 29 Oct 81 p 5

[Text] At moments of profound concern and growing worry about the sequence of problems involving the country's domestic stability, at the time of the tremendous decline of its economy and frequent disturbances of the legal system, it is always a good idea to listen--unless there is a lapse in the conscience of the rulers--to those guiding voices that are inspired by the need for eliminating the negative factors that affect the nation's life.

This is true of the manifesto issued by the Confederation of Private Businessmen of Bolivia which is far from a collection of merely political and opportunist slogans and which suggests the urgent need for adopting a new style of governing on the basis of a combination of civilian and military forces, doing away with the entire monopoly of power in view of the fact that the establishment must spring from the will of the Bolivian people.

We believe that the moment has come for the armed forces of the nation--who have been shouldering the serious responsibility of managing the nation's destiny--to realize the urgent need for building true national unity through full understanding with the various public opinion sectors.

The manifesto issued by the Confederation of Private Businessmen of Bolivia--one of the key elements in the economy and the institutional system--must not be interpreted as a quick-fix, nor as an outbreak of subversion but rather as a clear and constructive expression of one of the most characteristic sectors of the national community.

No matter how well-inspired the proposals from the military establishment may have been in terms of running the government, in contrast to what happened under the stormy regime of Garcia Meza, nothing positive, nor edifying will be achieved for the nation's wellbeing if we persist in sticking to an administration which runs

the government on an exclusive basis and which reveals little permeability, if we refrain from drawing a contribution from the Bolivian civilian establishment which seems to be uprooted in the midst of the fatherland.

According to the announcement by the planning and coordination minister--to the effect that the administration will analyze the documents issued by the Confederation of Private Businessmen of Bolivia and will take into account the points that imply "good and sound advice"--we can now expect more understanding, leaving aside certain inclinations and suspicions as well as egotistical and self-serving calculations. It will be necessary to study these proposals with a clear spirit of careful consideration and patriotism and with a clear vision of the reality facing the country.

We must give the green light to the current national reconciliation on the basis of a new government team which--without disregarding current circumstances--will take up its position by the side of the military top leadership and will facilitate the opening of all ways of national recovery.

The time has come to proceed to a serious historical and contractual review of the evils and deviations which are about to plunge the country into disaster. It is necessary to implement that institutionalist tendency which is encouraged by specific sectors of the armed forces and even more so to promote that civilian-military unity which will enable us effectively to tackle the solutions of problems which beset Bolivia at home and abroad.

We must therefore entertain the hope that the proposals put out by the Confederation of Private Businessmen of Bolivia will be duly studied by the administration of Gen Torrelio Villa because they express the Bolivian people's desire for peace and prosperity and above all we hope that the government will realize the urgent need for diverting the tempestuous winds of a serious economic collapse.

#### Government Reform Outlined

Sta. Cruz EL MUNDO in Spanish 29 Oct 81 p 5

[Article by Luis Alvis Cuellar: "An Excellent Alternative"]

[Text] It is agreed that the doctrines of the nation's most representative political parties--the MNR [National Revolutionary Movement], the DC [Christian Democratic Party], the FSB [Bolivian Socialist Falange], and the PS [Socialist Party]--are eminently good in their respective programs leading the Bolivian people toward the goals of their progress; it is admitted however that, in recent years, their leaders have been drifting into anarchy because of the absence of reciprocal political understandings, because of personal ambitions, and, perhaps, because of the euphoria of parliamentarianism when democracy began; this enabled the armed forces to seize political power and that in turn led to the decline of the political parties so that the people now find themselves in an extremely serious economic crisis. There has been no attempt so far to restore the situation in the shortest time possible until the excellent initiative taken by the Confederation of Private Businessmen of Bolivia which suggested to the armed forces government the formation

of a civilian-military government of reconciliation as pointed out in the document which proposes and constitutes the only alternative for the fatherland's salvation, for the following reasons:

- (a) Because, if we have a military president and a civilian prime minister, we would be able to bring out the best aspects of the democratic system with prospects for their total and definite restoration;
- (b) Because a mixed civilian-military government with democratic features would have the overwhelming international approval needed for the restoration of diplomatic relations;
- (c) Because, as a consequence of diplomatic relations with friendly nations, which are of great interest to Bolivia, we would get sufficient aid to restore the country's economy which is in extremely bad shape;
- (d) Because it is assumed that a prime minister would have more than enough political power to plan an adequate economic and social policy capable of gradually and over a not very long period of time to increase the gross domestic income by 50 percent which, at this time, is no more than \$1.2 million, thus giving us the ability to pay off the foreign debt of \$3.5 billion;
- (e) And because the citizens would have more political participation in matters of state without any need for party militancy.

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## HAVANA'S MARRERO REFUTES BUSH'S LATIN AMERICA REMARKS

## 'Hysterical' Language

Havana GRANMA in Spanish 1 Oct 81 p 6

[Article by Juan Marrero in the column "Sin Punto y Aparte": "Bush's Hysterical Language"]

[Text] George Bush, Yankee vice president, likes to attack the Cuban revolution; he does so frequently. Any time he has a television camera, a microphone or a reporter in front of him, he does not pass up the opportunity to show his hatred for the Cuban people. He insults and offends them and knowingly and shamelessly lies. He is in the front line of the imperialist legion in blustering and threatening. None of this surprises us. After all, in 1964 Bush supported Republican presidential candidate Barry Goldwater, internationally known for his caveman-like and absurd public pronouncements. After all, he was a defender and servant of the corrupt Richard M. Nixon. After all, he was director of the sinister and repugnant CIA in 1976 and 1977 which means he planned many crimes and aggressions. From San Juan, Puerto Rico, the AP reported that Bush said that he wanted to use the occasion to tell Cuba "that we are going to defend the cause of freedom, we are going to defend our Caribbean friends, we are going to help people like Mr Seaga in Jamaica and we are going to tell those who try to export revolution that they are not going to succeed." Why such hysteria from Mr Bush? No one doubts any longer that he is an outstanding extreme rightist like Reagan, Haig or Weinberger. Does he perhaps want to win more laurels as an anticomunist and anti-Cuban spokesman? As we can see, Mr Bush dusts off the most anachronistic cliches to attack Cuba like "exporting revolution." No one in the world believes this since it has been demonstrated that the conditions of poverty, oppression, plundering and exploitation which the imperialists, oligarchs and bourgeoisie implant in the underdeveloped countries generate revolutions. This was true in Cuba, it was true in Vietnam, it was true in Ethiopia, it was true in Nicaragua and it was true in Grenada. It will be true in any country where the laws of injustice, inequality, oppression and terror reign--that is, those laws that uphold "the cause of freedom" that Bush speaks of. This is the freedom of the monopolies to continue exploiting and plundering, the freedom of Washington to install and remove governments, the freedom to trample the sovereignty of our countries, establishing military bases or landing "Marines" when necessary, and the freedom to support genocidal rulers like the imperialists do today with Duvalier, Pinochet, Romeo Lucas and the Salvadoran junta.

## Views on Democracy Scored

Havana GRANMA in Spanish 14 Oct 81 p 6

[Article by Juan Marrero in the column "Sin Punto y Aparte": "Awful Lie!"]

[Text] George Bush, U.S. vice president who is touring several Latin American countries as part of the imperialist endeavor to seek support for its policy of aggression and hostility against Cuba, Nicaragua and Grenada, was even able to go to the Santo Domingo congressional palace where he gave a sugary speech. We say that he was even able to go because, according to EFE, he went "under strict security measures, black berets in camouflage uniform with automatic weapons who covered every 20 meters of the capital (Santo Domingo) from the U.S. Embassy while helicopters flew over the route and the surrounding area." Bush spoke about what the imperialist politicians, Democrats or Republicans, hawks or doves, fascists or not, always speak about: democracy, freedom and the bourgeois elections. Pure excrement, of course. The former director of the CIA said: "The cause of freedom is advancing in our hemisphere, the cause of democracy is advancing." To support his pretty words, he mentioned the elections that had taken place in the last 2 years and those that have been announced for the next year in Latin America. Of course, Bush was very consistent in not citing countries where there have been no elections for years, not even within the bourgeois framework, or where there are elections that are complete farces like Chile, Uruguay, Argentina, Paraguay, Bolivia, Haiti, Guatemala or El Salvador. Great advances for democracy and freedom, Mr Bush! Actually, a fascist like Bush does not look good dressed in a democrat's suit; he looks ridiculous. It is too big for him. Bush scattered praise "for the democratic process in the Dominican Republic." Of course, he did not allude to the brutal police repression of the student demonstrations that protested his visit nor the government decision to close the universities and public schools while he was in Santo Domingo. He certainly did not mention the "democracy" under which the servile Dominican Government blocks Cuban participation in international events held in that country. Of course, as is his habit, Bush devoted part of his speech before the Dominican Congress to attacking the Cuban revolution and saying awful lies like that Cuba "has not held elections in 22 years." Bush said this only 24 hours after 6,097,639 Cubans (97.2 percent of the adult population) voted in the elections for delegates to the people's government. With this awful, malicious lie, Bush has once more shown that he is a real liar.

## Nonintervention Discounted

Havana GRANMA in Spanish 16 Oct 81 p 6

[Article by Juan Marrero in the column "Sin Punto y Aparte": "From Awful Lie to Epitome of Effrontery"]

[Text] George Bush forces us to continue talking about him. He has said so many stupid things and lies in recent days--first in Santo Domingo and then in Bogota--that we must not pass over them. Let us look at one that the AFP reported: "The vice president repeated that the United States believes in nonintervention." The fact that a Yankee imperialist said this is the most cynical, impudent and shameless thing that we could hear. It is known that the United States has trampled the

principle of nonintervention for almost a century and a half, particularly in its so-called "backyard"--Latin America. U.S. territorial expansion deprived Mexico of half of its territory, military occupation made Puerto Rico its colony and gave "protection" to Cuba (until 1959), Nicaragua (until 1979), Haiti, Colombia, Guatemala, Chile and many more (until now). They have been or will be neocolonies of the empire; Washington has picked their governors and ways of governing. Policies like the "big stick" and "gunboat diplomacy" are not erased just because Bush says that "the United States believes in nonintervention." This is especially true since it is obvious that, under the present Yankee administration, those policies are cropping up again, particularly against peoples who have liberated themselves from imperialist ties and have expressed their sovereign will to be independent. Bush said that the United States believes in the principle of nonintervention but facts show that it does not respect it at all, yesterday or today. Its policy, yesterday and today, has been military, economic, political and cultural interference, the imposition of one-sided treaties and military bases, blackmail and threats, "Marine" landings and aggressions of every type. The United States has carried out almost 800 major hostile actions against Latin American countries from 1840 until now, 100 of them in the last two decades. This includes such brutal and shameful pages of history as the Bay of Pigs, the invasion of Santo Domingo and the assassination of Allende. Today we are witnesses to the maneuvers, plans, provocations and acts of hostility against Cuba, Nicaragua and Grenada and military and political interference in El Salvador, Guatemala and other Central American and Caribbean countries to try to impede the advance of revolutionary forces. What a way to respect the principle of nonintervention, Mr Bush! Bush went from the awful, malicious lie in Santo Domingo that "there have not been elections in 22 years" in Cuba to this about nonintervention in Bogota. It is even a bigger lie. More than that, it is the epitome of cynicism and effrontery, especially since Bush was the director of the CIA, the main instrument of Yankee imperialist subversive interference.

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## JOINT COMMUNIQUE ISSUED WITH VISITING PLO DELEGATION

Havana GRANMA in Spanish 9 Oct 81 p 4

[Text] A PLO delegation headed by Farouk Khaddoumi, chief of the Political Department and member of the Executive Committee of the PLO, made an official visit to Cuba from 4 October to 7 October 1981 to hold talks with the PCC [Communist Party of Cuba] and the Cuban Government.

During its stay in Cuba, this delegation headed by comrade Khaddoumi held a fraternal meeting with comrade Fidel Castro Ruz, first secretary of the CC [Central Committee] of the PCC and president of the Cuban Council of State and Council of Ministers.

The PLO delegation included: Isam Kamel Salem, PLO representative to the GDR; Hasam Abdel Rahman, PLO official in the UN Mission; and Imad Jadaa, representative to Cuba. The delegation also held talks with: Carlos Rafael Rodriguez, member of the Political Bureau of the CC of the PCC and vice president of the Cuban Council of State and Government; Jesus Montane Oropesa, alternate member of the Political Bureau and member of the Party Secretariat; Isidoro Malmierca, minister of foreign relations and member of the CC; Jose R. Viera Linares, vice minister of foreign relations; Claudio Ramos, chief of the North African and Middle Eastern Section of the General Foreign Relations Department of the CC; Arturo Barber Orozco, director for Northern Africa and the Middle East in the Ministry of Foreign Relations; and Jacinto Vazquez de la Garza, Cuban ambassador to Lebanon.

In these fraternal talks, it was happily pointed out that relations of friendship and cooperation continue to be strengthened between the PLO, only legitimate representative of its people, and Cuba on the bases of solidarity and the common fight against imperialism, colonialism, Zionism, racism and apartheid as well as for peace and social progress among all the peoples of the world.

Both parties examined the complex international situation. In the course of that examination, there was obvious agreement on the most important topics discussed. In particular, cooperation within the framework of the Movement of Nonaligned Countries was discussed because of the movement's coming meetings and conferences.

During the talks, Farouk Khaddoumi reported on the situation in the Middle East and the difficult and heroic struggle that the Arab people of Palestine fight under the leadership of the PLO in defense of their inalienable national rights, including

the right to the return of their fatherland, the right to self-determination and the right to create their own independent state on their national territory under the leadership of the PLO. It was emphasized that the PLO and all the Palestinian people in occupied territory as well as outside it will defend the conquests won through enormous sacrifice in their revolutionary struggle and will firmly oppose all attempts to ignore their just and legitimate rights.

The PLO delegation expressed its admiration for the heroic people of Cuba due to their important successes in the construction of a new socialist society in spite of constant imperialist aggression and threats and the criminal economic blockade that have cropped up again with the rise of the Reagan administration to power. It even uses germ warfare.

It also repeated its support for the just demand of the Cuban people for the return of the territory that the United States illegally occupies at Guantanamo Naval Base.

The PLO delegation repeated its total support for the Cuban revolution and, at the same time, recognized the Cuban party and government for their firm stands of principle facing the just fight that the Arab peoples carry out against Zionism and imperialism.

The Cubans repeated the unchanging position of Cuba supporting the fight of the Arab peoples for the total liberation of occupied Arab territories and the recovery by the Arab people of Palestine of their full national rights, including their own independent state.

The Cubans reaffirmed their recognition of the PLO as the only legitimate representative of the Arab people of Palestine and expressed their conviction that, without complete respect for the national rights of this people, it will be impossible to achieve a just, stable and lasting peace in the Near East.

The Cubans and the PLO expressed their profound concern due to the growing threats to world peace and the warlike and aggressive course that the present U.S. administration has taken in its foreign policy, threatening mankind with the holocaust of a nuclear war.

Within this framework, both parties strongly condemned the strategic agreements made between the Zionist regime and the U.S. Government which constitute a serious threat to peace and an instrument of aggression against the Arab peoples.

Both parties condemned the traitorous Camp David agreements and those signed separately between Egypt and Israel as well as any other maneuver that tries to ignore the rights of the Arab peoples, particularly those of the heroic Palestinian fighters.

The Cubans and the PLO angrily demanded an immediate end to the criminal attacks that the Zionist forces and their agents continually perpetrate against Palestinian refugee camps and Lebanese villages as well as the recent terrorist escalation unleashed in the vain attempt to intimidate the forces of the resistance and the National Lebanese Movement. They also condemned the aggressions and provocations of

the Zionist Government against Arab countries, demonstrated recently in the terrorist attack on the Iraqi center for peaceful nuclear research and in the threats against Syria and the Arab Forces of Dissuasion in Lebanon.

Both parties extolled the great importance of the political, moral and material support of the countries in the socialist community for the fight of the Arab peoples, particularly for the fight of the Palestinian people and for a just solution to the Middle East problem.

Cuba also reaffirmed its solidarity and support to the massive efforts that Algeria, Libya, Syria, Democratic Yemen and the PLO, as members of the Front of Firmness, and other progressive countries and forces have made to impede the materialization of imperialist plans in the Arab region.

Both parties emphasized the need to confront and fight imperialist pressures through the reinforcement of unity of action among all the countries in the Nonaligned Movement based on the endorsement and solidarity of the socialist countries. They proclaimed the inalienable right to use their natural resources, including oil, as a political weapon to defend their independence and sovereignty against imperialist pressures and aggressions.

The two parties saluted the tripartite cooperation agreement signed by Democratic Yemen, Ethiopia and Libya since it is an important step to confront the maneuvers of imperialism and Zionism. They also condemned the aggressive provocations against the Socialist People's Libyan Arab Jamahiriya in the Gulf of Sidra and the threats and pressures against it.

Cuba and the PLO, as members of the committee of the Movement of Nonaligned Countries that is trying to end the conflict between Iraq and Iran, agreed on the need to continue developing efforts to try to find a political, peaceful, honorable, just and lasting solution to that conflict.

Both parties condemned the racist government of South Africa, an ally of the Zionist regime, which, with imperialist endorsement, commits criminal aggressions against Angola and other countries in the area. They also showed their solidarity with the fight of the Namibian people and demanded an end to the illegal occupation of its territory by racist troops, expressing complete endorsement for SWAPO [South-West African People's Organization] as the only suitable representative of its people.

Examining the Latin American situation, the two parties agreed that important political and revolutionary changes are developing on the continent as a result of the fight of the peoples against the native oligarchies and U.S. imperialism. The victory of the Nicaraguan people was very important as was the triumph won by the revolutionary forces in Grenada. The Cubans and the PLO condemned maneuvers and pressures on both countries and showed their support for the heroic fight of the Salvadoran people for their liberation from the criminal military junta that, with the support of the U.S. Government, is murdering tens of thousands of Salvadoran patriots.

The two parties expressed their solidarity with the freedom fighters in Latin America and repeated their support for the Puerto Rican people in their fight for self-determination and independence from U.S. colonial domination.

They also expressed their solidarity with the cause of the peoples of Southeast Asia for their complete independence, social progress and peace. They supported the just cause of peaceful reunification of Korea without foreign interference.

A cooperation agreement was signed between the PCC and the PLO as a result of the friendly talks and the contacts made during the delegation's visit and keeping in mind the interest in expanding relations.

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CSO: 3010/236

## UNGO SPEAKS OF ARMY KILLINGS, PEACE EFFORTS

Managua BARRICADA in Spanish 12 Oct 81 pp 1, 5

[Interview with Guillermo Manuel Ungo, executive secretary of the Revolutionary Democratic Front of El Salvador, by Xavier Reyes Alba; date and place not specified]

[Text] With the open support of the Reagan government the Salvadoran Junta murdered over 20,000 persons since the General Assembly of the United Nations issued its resolution on human rights in this sister country at the end of last year.

This charge was made to BARRICADA reporters by Guillermo Manuel Ungo, executive secretary of the Revolutionary Democratic Front (FDR), a few hours after revolutionary commander Daniel Ortega presented his proposal for peace at the Thirty-Sixth General Assembly of the UN.

In the interview he summarized the efforts for a peaceful solution proposed by several Latin American and European governments that are included in the proposal made by Nicaragua. He also spoke of disorganization and the fascism in the army and about Reagan's policy and what it represents in El Salvador at present.

The Government's Terrorism Must Be Stopped

BARRICADA: How do you see the situation in El Salvador now?

Ungo: We have to look at the total picture of the conflict in El Salvador and the effort to seek a peaceful solution. We have seen that international opinion, political parties, politicians, and governments have had an interest in and a growing desire to find a political solution to the conflict since the beginning of last year.

The U.S. press did not show much interest in the resolution on human rights passed by the United Nations General Assembly which condemns government terrorism as practiced by the Duarte Junta.

A year has almost passed since then and over 20,000 persons have been killed and 300,000 made homeless, leaving a total of half a million people in El Salvador without housing because of the army's war of extermination--and this is without counting 300,000 refugees scattered in other countries.

BARRICADA: What peace efforts have been made to date?

Ungo: Since that time we have seen several steps taken toward a political solution which would take into account all parties involved, and in this context the Franco-Mexican resolution is very important.

The resolution calls for a political solution, which in El Salvador's case means a radical change, that is, removal of those responsible for genocide and the policy of military warfare.

Among the initiatives that have been presented, we can recall the meeting of President Lopez Portillo and President Boyo of Panama in Mexico a few months ago and the offer of assistance by their respective countries in opening up a dialogue.

Then in April of this year the Presidents of Venezuela and Mexico offered to help find a political solution. President Herrera Campins himself said that without the FDR no solution could be found to the problem.

Then Panama offered to help again. In addition, the Socialist International volunteered to mediate, and it appears that the Christian Democrats will follow their example.

We also saw an important resolution issued by the European Parliament calling for a political solution.

Therefore, taking into account all this willingness to help the parties involved in the conflict, we have, through the Revolutionary Government of Nicaragua, offered our proposal in the most important forum of the world, the United Nations.

It is not a cosmetic solution, nor do we want anything to do with a bloody election farce. We want to talk directly with the government; they talk one way and act in another, but we act the same way we talk.

The U.S. Government itself has recognized the need for basic changes in El Salvador. Former Ambassador White said that the government could not control the army and that they were responsible for the crimes.

That is the problem. There is government terrorism and we have to deal with that problem. As the foreign minister of Sweden said, El Salvador is a test and the democracies should lend their participation.

BARRICADA: What about the disorder in the Salvadoran Army?

Ungo: The armed forces are responsible for the war against the people. There are functional and organizational connections between the army, the political parties, the security services, and the calculated murders, by the paramilitary groups that claim between 25 and 50 persons each day.

This should be included in the agenda. We are not offering a magic formula, but we must stop the war.

BARRICADA: And considering all this, how are the government and the political parties doing?

Ungo: They have their own internal struggles. We believe there are sectors more inclined toward a political solution than toward war. But it is obvious that they are weak.

The Duarte government does not practice a policy of participation among its own followers but rather one of exploitation within the government itself. They have been purging the government of democratic elements for some time, purging the democrats, and strengthening the fascist elements in the economic, political, and military spheres.

They are moving more and more to the right each day, seeking fascist and military solutions to the problem.

BARRICADA: Would you say that the U.S. Ambassador's reply in the UN is an official rejection of the FDR proposal?

Ungo: I really don't know where the Duarte government is based, in El Salvador or in Washington. We know they want elections, which means they have changed their policy. I don't want to make any generalizations on that point, but there is a difference between the Carter and Reagan administrations.

We reached some agreements with Carter, and the agenda included cleaning up the armed forces and the security services; elections were not included in the agenda because it is well known that there is no possibility for free and democratic elections now.

BARRICADA: And how do you see public opinion in the United States towards El Salvador? And what is your final comment on the proposal taken to the UN?

Ungo: I think that every war has to end and the war in El Salvador will end one day. Duarte's military forces are getting weaker each day.

Only 4 days ago the government's forces failed in a big operation in the north, and this has happened 10 to 20 times this year.

We believe the United States can play an important role in the conflict which has now become a matter of worldwide concern.

I think that U.S. public opinion does not realize what is happening, that there are historical issues that go back 50 years, but on this point the U.S. public is getting a clearer picture of the problem.

And it is not only the radical and progressive sectors--as in the case of Vietnam--that are leading the fight; now it is the moderates, the conservatives, the different churches, civic and social groups and the press itself that are playing a more positive role.

We desire good relations with the U.S. people and the Reagan government, but the facts remain the best bases for making decisions.

They think that the democratic side--FDR and FMLN [Farabundo Marti National Liberation Front] could become communist one day and therefore they help the fascist army, but you can't have oligarchical armed forces as a bodyguard for democracy.

9015

CSO: 3010/195

**FMLN ORGANIZATION LISTS CONDITIONS FOR PEACE TALKS**

San Jose LA REPUBLICA in Spanish 10 Oct 81 p 28

[Text] A political-diplomatic delegation of the Farabundo Marti National Liberation Front and the Revolutionary Democratic Front (FMLN-FDR) yesterday revealed the conditions of these organizations for opening peace talks with the Salvadoran Junta.

Some of the conditions are as follows: the conversations should be held between delegates named by both sides. They should be conducted in the presence of governments which, acting as witnesses, can contribute to the solution of the conflict. The talks should be across-the-board and should include the basic aspects of the conflict; and they should be based on an agenda approved by both sides. They should begin without pre-conditions on the part of either side.

The FMLN-FDR also revealed the points they wish to discuss, as follows: definition of a new political, economic, and judicial system that would insure a broad, democratic participation on the part of the people and the reorganization of the armed forces with a nucleus of officers and men of the present army who have not been charged with crimes against the people, and including the integration of troops and commanders of the FMLN.

They also revealed that they feel elections now would not fulfill these conditions since the government's repressive apparatus, martial law, the state of siege, and press censorship all remain intact.

The above proposals were revealed yesterday at a press conference held by Dr Ruben Zamora and Dr Fabio Castillo, the members of the political-diplomatic delegation.

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CSO: 3010/195

## FMLN REJECTS JUNTA REFORMS BUT NOT PEACEFUL SOLUTION

San Jose LA REPUBLICA in Spanish 3 Oct 81 p 4

[Text] El Salvador (YMA)--Theoretically, the guerrillas in El Salvador who belong to the Farabundo Marti National Liberation Front (FMLN) have curtailed their actions and have shut themselves up in their redoubts or "no man's land" along the Honduran border.

It is estimated that as of November, 1980, there were about 60 guerrilla groups or "commands" operating in the Miramundo Mountains of El Salvador, near the border pass of El Poy; in El Carrizal north of Comalapa; in the northern part of Cerro Ocotillo; between Torola and Sabanetas in the Department of Morazan; and in an area lying between El Sauce and Goascaran, which included "safe areas" in Honduran territory near Aramecina and San Antonio del Norte.

Other groups operated in the central region of El Salvador that had hideouts for lightning strikes along the slopes of San Salvador Volcano, San Francisco Gotera, Cabanas, Chalatenango, Morazan, and La Union. These included the groups of "urban guerrillas" within the capital city itself.

Today, it appears that all these groups, forced back by the army offensive, have come together to form something like an army in certain areas along the Honduran border, such as San Agustin, Jiquilisco, and Tierra Blanca, where they are more or less safe because the fear of accidental clashes between the armed forces of El Salvador and Honduras has led the armies of both countries to tacitly accept the watchword "Do not enter," in these geographical precincts.

The armed forces of El Salvador have repeatedly announced that "they are in complete control of the country," but the FMLN replies that "all that is false," and that "for the third time the so-called Operation Clean-up in San Agustin, Jiquilisco, and Tierra Blanca has failed, just like the military operation with 1,500 troops against the insurgents' lines at Chinchontepec and the lightning ambush against the guerrillas of Usulutan and Guatapa, where 100 mm soldiers were killed."

Since the agrarian reform measures and the nationalization of the banks and foreign trade, the FMLN has insisted without reservation that "these things do not constitute the radical structural change that the country needs to pave the way for a socialist government that would give the lower classes adequate means to push ahead with a total revolution."

Dr. Fabio Castillo, member of the FMLN-Revolutionary Democratic Front political-diplomatic delegation and a top leader of the PRTC [Revolutionary Party of Central American Workers] (one of the five groups that make up the Farabundo Marti Front), has categorically rejected all that has been accomplished under the label of "reform," saying that "this is only a disguise that hides the obvious intention of keeping things under the same disgraceful conditions of social injustice they have always had and under the orders of the dominant imperialists."

Castillo is at present in a permanent travel status between Mexico and the countries of Latin America "seeking international support for the FMLN that Nicaragua, Cuba, France, Mexico, and the Soviet Union are helping to vitalize."

Dr. Guillermo Ungo, who has been attending meetings of the Social Democrats in Stockholm and other parts of Europe and who represents the leadership of the Revolutionary Democratic Front, has emphasized that the only fully acceptable way to establish justice and peace in El Salvador is for the insurgent groups that "are capable of producing the true people's revolution" in the country to take power.

However, Ungo has been more amenable to the possibility "of a peaceful settlement of the conflict in El Salvador," as long as the Revolutionary Democratic Front and its military arm, the Farabundo Marti Front, sit down at the negotiating table."

The guerrilla leader regarded by observers to be the "most solid" leader in El Salvador, the one who stays on the firing line and usually abstains from traveling and comforts in Cdr. Salvador Cayetano Carpio (Marcial), who has always been considered one of the top leaders of the Farabundo Marti Front.

Carpio is truly a legend among the guerrillas. Throughout his life he has known prison, exile, was given up for dead, was "resurrected," traveled to several countries, smuggled arms to El Salvador, and has emerged unscathed from many combats.

His position is irreducible. "The structural change in El Salvador must be from the bottom. Of the present system, not one stone should be left on another, and the monolithic presence of the army should be replaced by a people's armed organization and a special militia corps."

The voice of Carpio is sometimes heard over Radio Venceremos, which is perhaps the most powerful information medium the guerrillas of the Farabundo Marti National Liberation Front possess.

He has said repeatedly that "it is an imperialist fallacy to confuse the just struggle of the Salvadoran people with a plan to internationalize the conflict in their country, and that there is no sinister plan by Cuba and the Soviet Union to convert the peoples of Central America into satellites."

This statement has been picked up internationally by the so-called "people's network," which is supported by an investment of several million dollars to maintain newspapers, magazines, radio stations, bulletins, pamphlets, advertising agencies, and publishing houses at various points in the enormous geography of Latin America and Europe, with emphasis on Mexico and Costa Rica.

How many guerrillas are there really? Who are their commanders in the battle lines? Who directs the urban terrorist cadres? These are questions that are not easily answered.

Sometimes in the rural areas one can make contact with some guerrilla leader who almost always poses as a peasant or an ordinary citizen engaged in business or a trade. They never furnish their true names but only vaguely give a first name without a surname or a surname as their full name.

At times, when they learn that a newspaperman is wandering about in territory close to where one of their command units is operating, they try to get in touch with him. A child appears and says that "Amaya" wants to tell something important. "Amaya" turns out to be a young man of 25 who is clean-shaven, very tanned by the sun, and with callouses on the hands. You speak with him; there is talk about "how well the guerrilla band is doing," and in the end he agrees that "without the assistance of Cuba and Nicaragua" things would not be going "so well."

Concerning "Amaya's" group, which operates in the Department of Morazan, mention is made of "a quintet specializing in demolition that was trained in Cuba" and which took part in a recent operation to destroy key electrical installations that cost the government several million dollars.

When foreign reporters come to El Salvador and try to make contact with the guerrillas, everything becomes difficult. Nobody admits having connections with guerrillas or terrorists. But almost immediately, whether in the Camino Real Hotel or any other one, bulletins and proclamations and political and economic analyses of the Farabundo Marti National Liberation Front begin to appear beneath the door or in envelopes.

What the Revolutionary Government Junta calls white the Farabundists will call black and vice versa. It is a persistent ideological bombardment that comes from two primary sources and a third no less persistent: the right, which is organized in the so-called "private sector united in defense of free enterprise."

The Farabundists accuse this sector of seeking to force the Junta to assume a "reactionary" position, warning that this would be "dangerous," but in no way do they admit that the Junta may be doing "good things" in the economic, political, and social field. They call the reforms "fireworks" aimed at gaining attention and the decision to lead the country into elections an "incredible farce."

No reporter who travels to El Salvador at present can fail to note that "there is a noticeable decrease in tension, violence, terrorism, and bellicose confrontations." This is a fact that cannot be denied, a fact that is coupled with the unusual statement (unusual in the context of the events of a week ago) made yesterday in the United Nations by Fabio Castillo, member of the political-diplomatic delegation of the Farabundo Marti Front and the Revolutionary Democratic Front, that the guerrillas would be willing to open a dialogue based on the following five points:

1. Negotiations with the government "without excluding any of our forces."

2. The negotiations should "be facilitated by the presence of international mediators."
3. The discussions should be "across-the-board that would include all aspects of the Salvadoran situation on the basis of an agenda prepared by both sides."
4. Reports to the Salvadoran people on the progress of the negotiations.
5. There should be "no prior conditions of any kind of the part of either side."

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CSO: 3010/195

## EXECUTIVE AUTHORIZED TO ISSUE MORE MONEY

Guatemala PRENSA LIBRE in Spanish 23 Oct 81 p 19

[Text] The congress of the republic has authorized the executive branch to issue, trade in and invest treasury notes in the amount of 50 million quetzals. With this issuance the state revenues and expenditures budget was increased to 1,666,560,256 quetzals.

In accordance with Decree 37-81, approved by congress, those funds are earmarked for the creation of a rotating fund in the national treasury, so that, under the supervision and strict control of the coordinating unit of the National Peripheral Highway Project, the Freeways and Highways Development Enterprise of Guatemala, S.A., the concessionaire of the project, can pay its debts on a timely basis.

The enterprise is obligated to make repayments to the fund of monies drawn from it, in conformity with the provisions of the applicable regulation.

Note issuance bill was approved by a two-thirds vote of all the deputies in the congress of the republic.

To obtain the required majority, it was necessary to have the votes of deputies of the MLN [National Liberation Movement] bloc who had made their approval conditional upon reform of the election law, which they had proposed to guarantee honest elections, they maintained.

#### First Reading

The plenary session of congress approved the bill after its first reading. The bill contained reforms of the election and political parties law. The bill was presented by the Government Committee which is chaired by Deputy Emilio Par Gonzalez.

Outside the congressional chamber, Deputy Par Gonzalez said that the preliminary draft presented had been modified. This preliminary draft proposed that all members of congress sign over 1,500 voting documents on the very day of the elections which, in addition to being impracticable, was unconstitutional.

He added that congress had also refused to allow publication media of the names of all citizens in the communication, as this is burdensome. The other reforms requested by the MLN were accepted.

Bill

The plenary session of congress considered the bill sent by the Minister of Government, which contains a new organic law for the National Police, and turned it over to the Government Committee for study and comment.

The purpose of the bill is to update the present law which is outdated. It also involves professionalization of the National Police and regulation of matters relating death benefits.

**First Reading To Serve as Guarantee**

A bill authorizing the executive branch to serve as guarantee for a loan of 10,400,000 quetzals granted by the Central American Bank of Economic Integration to the National Electrification Institute [INDE] was approved after its first reading by the congress of the republic during the Wednesday session.

Funds from this loan, the contract for which was signed on 30 April 1981, will be used by the INDE to partially finance the projects and services involved in the electrical hookup of the republics of Guatemala and El Salvador, as pertain to the former.

The term of the loan is 15 years with a 5-year grace period. The interest rate on the unpaid balance will be 8.75 percent annually, with an annual agreement commission of .75 percent on unpaid balances.

The loan will be amortized by 20 consecutive, 6-month payments of US\$520,000 each. These payments will be made by the INDE out of its own funds.

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CSO: 3010/218

## AGRICULTURAL-LIVESTOCK PRODUCTION INCREASED

Guatemala PRENSA LIBRE in Spanish 19 Oct 81 p 4

[Text] The agricultural-livestock sector of Guatemala is the only one in Central America which was able to attain a positive growth rate in the last 3 years, according to a report prepared by the technical department of the Secretariat of Central American Economic Integration (SIECA).

This part of the report begins by stating that this agricultural sector of Central America generates more jobs, revenue and foreign exchange for the economy but that it's growth has been seriously hampered by structural and situational factors.

The report by the technical department of SIECA emphasizes that the agricultural-livestock sector is one of the most seriously affected by the present Central American crisis.

In 1980, the report says that a 1.9 percent decrease in the growth rate was experienced in this sector, with Guatemala the only country presenting a positive growth rate of 2.5 percent.

#### Less Contribution

According to the study, the principal export crops are the basis of the Central American economy.

Five of these crops; i.e., coffee, cotton, bananas, beef and sugar, continue to contribute the area's largest share of foreign exchange revenues from exports; in 1979 the share was 63 percent.

If this figure is compared with the 1971 percentage, it will be noted that dependency on exports continues to be based on these same five products, with the aggravating circumstance that their combined share of the total is increasing.

#### The Countries

As regards the countries, it is noted that Honduras and Costa Rica, particularly the latter, have managed to reduce this dependency through an increasing commercialization of other agricultural products and a greater relative share of manufactured products.

In Guatemala the percentage of the five products mentioned with respect to total exports of the country has increased a little more than 2.0 percent, in spite of efforts to promote nontraditional exports.

Both El Salvador and Nicaragua are experiencing an accentuation of this commercial dependence, particularly Nicaragua, as its exports of these five products represented almost 76 percent of that country's total exports in 1979.

It is considered important to keep in mind that in the case of El Salvador and Nicaragua the percentages for last year of necessity must have been influenced by deterioration in the industrial sector which decreased by 3.3 percent in El Salvador and 28.3 percent in Nicaragua, causing a decrease in the relative importance of exports of industrial products.

#### The Products

Of the five products cited, coffee is the traditional crop of greatest significance. In the past 3 years, it represented over 45 percent of the agricultural production of Central America.

El Salvador is the largest producer in the region (during the period 1978-1980) with about 37 percent; next comes Guatemala with 32 percent; Costa Rica with 15 percent; Nicaragua with 10 percent; and Honduras with 6 percent of the total.

Although the land area planted with coffee trees in Central America has increased at a very conservative rate, according to the report, increasing 17 percent from 1970-1971 to 1979-1980, production has increased at a rate of 44 percent, due basically to significant improvements in productivity.

#### Cotton

The analysis indicates that cotton holds second place in the production of the primary sector and in the generation of foreign exchange (still in the period analyzed, 1978-1980) and in a seasonal way employs large amounts of manpower. It also provides all of the natural fiber demanded by the region's textile industry and a high proportion of the raw material needed by the countries' vegetable oil industry.

Basically because of a wide variation in the cultivated area which, for all of the five countries decreased from 417.90 [as published] hectares in 1978-1979 to 277,700 hectares in 1979-1980, regional production of cotton decreased by 33.2 percent. This resulted in a concomitant drop of 20.4 percent in exports.

As for individual countries, the study shows that Nicaragua was the country most affected by this situation. It reduced its planted area by almost 78 percent, allowing Guatemala to become the largest producer of cotton fiber in the region, Guatemala at the same time experienced the greatest unit yields.

Because of these factors, the report continues, cotton exports for the region as a whole decreased from a total of 417.1 million Central American pesos (equal to dollars) in 1979 to 332.1 million in 1980, despite the fact that the average selling price of this product rose considerably from 1,247 Central American pesos per metric ton to 1,570 pesos in the years studied.

### The Banana

The banana is the third most important product on the list of exportables of the primary sector of the Central American countries, according to the SIECA; and Costa Rica and Honduras are the largest producers.

Foreign sales by Central America in 1979 produced a total of 372.9 million Central American pesos, representing a 16 percent increase in 1980, with an export volume increase of 6 percent from 247,700,000 metric tons to 257,600,000 metric tons and a 10 percent rise in sales prices.

### Beef

In Central America, beef has become an increasingly important source of foreign exchange, according to another part of the SIECA report.

In the period 1978-1980 the production of beef experienced a modest increase of 1 percent, rising from 282,100 metric tons to 287,100 metric tons.

Definite increases were observed in El Salvador, Honduras and Costa Rica, with the latter moving into the number one area producer position in 1980, a position occupied by Nicaragua until 1979.

Thus, Nicaragua which was the number one Central American exporter of meat fell into third place in 1980 with 24,000 tons. Honduras was the number one supplier with 37,000 tons, followed by Costa Rica with 29,400 tons.

The region's revenues from exports increased slightly in 1980.

Despite the importance of beef to the satisfaction of domestic demand for meat, increased exports have reduced regional quantities available for local consumption.

Of the total deboned meat produced in 1979 and 1980, 52.2 percent and 49 percent, respectively, were earmarked for internal consumption.

In the past 2 years, Nicaragua and Costa Rica registered the largest per capita consumption figures, with respective averages of 9.9 kilograms and 9.4 kilograms per capita annually, followed by Guatemala with 4.8 kilograms, Honduras with 3.2 kilograms and, finally, El Salvador with 2.8 kilograms.

### Sugar

Finally, the report states that sugarcane cultivation in Central America has been stimulated by increased foreign demand for sugar which has influenced world prices.

The area under cultivation has been increased greatly and totaled 232,100 hectares in the 1979-1980 season, 3.1 percent higher than the previous agricultural year.

This notwithstanding, sugar production decreased from 1,209,200 metric tons in 1979 to 1,178,100 metric tons in 1980, due to a decrease in the cultivated area in El Salvador, Nicaragua and Costa Rica and to a significant reduction in yields per hectare in the last two countries.

Thus exports for 1980 were lower, dropping from 501,500 metric tons to 460,400. However, increases in world prices permitted almost all the countries to have revenues higher than in 1979, with a regional total in 1980 of 221 million Central American pesos compared to 129.7 million in 1979.

TABLE

Central America

Relative share of the agricultural-livestock sector of the gross domestic product.  
Years 1970, 1979 and 1980 (In percentages based on constant 1970 prices)

	1970 %	1978 %	1979 %	1980 %
Guatemala	27.5	26.1	25.8	25.4
El Salvador	28.4	25.1	25.9	26.0
Honduras	32.5	27.9	28.1	27.0
Nicaragua	24.9	27.0	31.3	24.4
Costa Rica	22.5	17.7	17.0	16.5
Central America	27.1	24.6	24.9	23.8

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CSO: 3010/218

## MISKITOS RECEIVING MILITARY TRAINING IN HONDURAS

Managua EL NUEVO DIARIO in Spanish 16 Oct 81 pp 1, 9

[Text] Two miskitos who had fled to Honduras in May 1981 and returned to the country 4 days ago were presented to newsmen in the Press Office of the Ministry of Interior.

The miskitos are Cristobal Cordon and Cecilia Gostas Castro. They described in great detail how they had reached Honduras and their stay in military training camps exclusively for miskitos.

They also told about the lies of Steadman Fagoth, the participation of Honduran and Somoza military personnel in training activities and the precarious situation being experienced in the camps.

Finally, Cristobal described the difficulties they encountered in fleeing from one of the military training camps and returning to Nicaragua.

He said, "The escape was from the military camp called Mokoron, which is located 15 kilometers from Puerto Lempira, where 116 miskitos were assembled, with almost the same number taking training at camps called "Zuri" and "Mitrux."

Cristobal told how he like others who had gone to Honduras had done so because Fagoth and his henchmen had convinced them that the worst was going to happen in Nicaragua. Therefore, it was necessary to go to the neighboring country in search of work.

Cristobal said that once they had reached Honduran territory they began to suspect that they were being deceived, as from the start Honduran and Somoza military personnel were working with Steadman Fagoth.

## In Hercules Airplanes

The situation worsened when Fagoth told them they were going to travel in Hercules airplanes of the Honduran Air Force to a specific location.

First, 100 men were to be selected. Hunger and other hardships such as uncertainty about the future caused the refugees to show signs of unwillingness to participate.

They protested because Fagoth had told them they had to help to "liberate" Nicaragua but that they would not have anything to do with the Somozists, and that was the first thing that was happening.

Since they had no desire in the first place to be in training camps because of the harsh manner in which they were treated, Fagoth told them and the Somozist training personnel that they were not going to fight in Nicaragua, that other countries would overthrow the revolutionary government but that it was necessary for them to know how to handle weapons well.

This was useful and important because with the fall of the National Reconstruction Government, they, the miskitos, those who knew how to handle weapons, would be "officers" in the new army and the ones who were really going to govern.

They also recounted how Fagoth had told them in Nicaragua that the United States was going to give \$1 million and airplanes to abort the revolution and thus to prevent much bloodshed.

#### Mistreatment

Cristobal also said that the miskitos chosen for training, including several leaders, were unhappy with the Somozist instructors, some of whom were recognized torturers of the past, were mistreating them. They were told that they were lazy, too dumb to feed themselves, that they had only been born to eat bananas and drink guabule [a drink made of bananas].

"There was a shortage of food: most of us had no shoes; and they wanted us to get up early in the morning to do exercises in an area where there were many spiny plants," Cristobal emphasized.

"They punished us often by making us do 500 situps." He also said that those who had not managed to escape are like prisoners.

Cristobal, who spoke without stopping, said that in addition to the extremely bad conditions they continued to be discriminated against, always put down, alienated and in danger of being shot if captured after an escape attempt.

He also said, "We began to ask ourselves where we would go if we managed to escape, as we were told that things in Nicaragua were as bad as they could be."

#### More Lies

"They said that any miskito who returned to Nicaragua would be tortured to death. The least that could happen to anyone returning, they said, was that they would be sentenced to prison for 30 years, and this was a most enviable fate, they emphasized," Cristobal said.

"They also told us that our people were fighting amongs themselves, had already set fire to important buildings on the Atlantic coast, that they had killed the commander of the Fifth Region, Manuel Calderon, and that Cdr William Ramirez had been machine-gunned.

"These conditions, they pointed out, made the return of the miskitos to Nicaragua impossible. All of us," said Cristobal, "spoke in miskito and bemoaned the luck we were having, all the fault of Fagoth and his lies."

Cristobal said, "He is holding his own only in Tegucigalpa." He added that there is a large number of miskito prisoners in Puerto Lempira.

#### They Returned

He said that he and Celia decided to return to Nicaragua, in spite of the risks they might run. The idea had already occurred to them that the Somoza group and Fagoth were exaggerating what was happening in Nicaragua, he said.

"We said to ourselves: we are not going to die here, nor to fight at the side of the Somozists who had always ignored us. And if we die, let it be in our land." Thus it was that they fled one night, without shoes and with a great fear of being discovered.

They made stops in small towns where they worked for food until they met a woman named Tona, who told them she was a Nicaraguan and helped them cross the border over the Coco River.

Cristobal said that a Somozist partisan named Jose Benitez Bravo, who calls himself "Commander Bravo," was the commander of the camp called "Base Fenix," camp number 1.

And he said to them, "You are no longer Misurasata [Miskito, Sumos, Ramas Association], you are now legionnaires." Cristobal said that they built the camp and were forced to build for "Commander Bravo" a structure similar to the house used by Tarzan in the movies; he himself said that he wanted to live as Tarzan did.

"All this annoyed the miskitos a great deal," he said.

"There was also a commander with the last name of Pastor who identified himself by the number 03. Jose Benito Bravo, who called himself Tarzan, was number 06. Another man with the last name of Talavera, who, according to what I was told, was one of the biggest executioners during the Somoza era. He also was actively assisted by a Honduran army captain named Luky who is stationed in Puerto Lempira.

#### Several EEBI

"Miskitos who were in the EEBI [Basic Infantry Training School] were also with us," he said. He reported that one of the miskito leaders, Alfonso Smith, is a prisoner. He did not like Alfonso because they always wanted us to drop the name of Misurasata.

He said that miskito Arcadio Walda and one of his cousins fled from the camp one night. Shortly after the Somozist group learned of this, they took off in pursuit. Later the sound of a large grenade was heard.

When the Somozists returned and were questioned, they said that the escapees had been captured but had slipped away once again. It was then that a grenade was

thrown, but Arcadia continued running. "We do not know," he said, "whether he was killed or is elsewhere."

#### Infamous Man

Cristobal said that after the victory, Fagoth told them that it was time to tell everything, to demand everything. And that 165,000 cordobas were to be collected to pay Mauricio Polanco for drawing a map of our lands.

"The fact is that we began to collect money. Later we were told that we were in danger, that the revolution was going to take everything away from us, that we should not accept the Cubans, that we should not send our children to school, that we should not allow our children to be vaccinated because the vaccine would kill them in 6 months.

"That the landing strip they were building was to allow airplanes to come in from communist countries. That they were going to kill the adults and that they were going to remain only with selected children and our land."

Later he said that all the miskitos became frightened and angry. "You see, we did not understand the Revolution."

When they put Fagoth in prison, his seconds, several ministers told us that this was an injustice and that we had to fight.

When Fagoth left prison and came to Puerto Cabeza, he told us that things were going to become very nasty and that in the coming months foreign countries were going to overthrow the communists, that it was necessary to go to Honduras and to return when Sandinism was no longer in power.

#### Exodus and Return

"Thus a group of us traveled downstream. We were somewhat nostalgic but at the same time happy because we had made up our minds. We even had a party before reaching Honduras."

But everything changed immediately upon their arrival on the other side of the border when they received their first threat from Fagoth: "Here nobody returns to Nicaragua unless it is with me."

With respect to his return to the country, he said that he had come back with a great deal of fear. He remembered what he had been told, that a captured miskito was stretched out on the floor and that eight men danced on his body until his bones were crushed.

He changed his name; however, he ran into a friend and told him that it was all a lie and was advised to present himself to the commander of Puerto Cabezas, Manuel Calderon. This he did.

"I am happy," he said, "and I hope to get work soon. There is nothing better than to be in my country and with my family. I have been thinking about asking the commanders of the revolution to let me speak to my comrades who are in Honduras through La Voz de Nicaragua [The Voice of Nicaragua] to explain the true reality to them so that they will come back," he concluded.

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CSO: 3010/188

## CAUSES OF ECONOMIC CRISIS IN COUNTRY EXAMINED

Managua EL NUEVO DIARIO in Spanish 20, 21 Oct 81

[Article by Enrique Belli Cortes]

[20 Oct 81 p 2]

[Text] Background That Can Not be Forgotten

The emergency measures adopted by the revolutionary government as a consequence of our national crisis have been the subject of many reports published in the media, either in support of or in opposition to these measures. Also speaking out on these measures has been the organization representing the private sector, or to be more accurate, the industrial, commercial, agricultural, and financial bourgeoisie. In almost all these statements, they either consciously or unconsciously avoid any mention of the real origin of the crisis we are facing, and they attribute it to political phenomena related to the revolutionary process. This fact merits close attention, as those who are writing and publishing these accounts are self-described as the most conspicuous and learned economists of our local bourgeois class.

A person does not have to be very learned or to be adorned with extra titles to know the origin, course, and evolution of the crisis now weighing down upon us; it is sufficient to look backward to the events which began in 1976.

Everyone knows that starting in 1976 the plundering by the members of the government and their colleagues increased in a geometric progression, while resources and production did not increase, but rather contracted. In 1976 and 1977 a number of businesses in which the members of the Somozist government were partners and stockholders began to transfer outside of Nicaragua the main tools of production. We have seen how the biggest construction companies formed subsidiaries in other Central American countries and began operating there with machinery belonging to firms that were working here. This increased unemployment, removed capital from the nation,

and appropriated to their companies the tools of production which by right belonged to the working class which operated these tools and used them to produce. Similarly, a number of companies created branches in other countries, using capital produced by Nicaraguan workers, while leaving these workers in poverty and unemployment. In finance, the bourgeois banking system appropriated part of the \$500 million lent by international institutions which should have been invested in production, and used it to establish banks and collateral financial groups in a number of Central American capitals, particularly in Honduras, even extending its ramifications as far as Miami. In 1977 and 1978 this theft continued to increase, both on the part of the head of the regime and his colleagues.

The Sandinist insurrection began then and the nation's political problems worsened. Most of the capital from the bourgeois agricultural, commercial, and industrial sectors was removed from Nicaragua. In early 1978 Somoza ordered Pedro Joaquin assassinated. This marked the beginning of the end of that shameful regime which, even though this may seem hard to believe, is regretted by some bourgeois sectors even today.

In February 1978 came the farce of the municipal elections for which no one turned out to vote. At the same time there continued the massive flight of capital which had been converted into dollars by the wealthy and by the government bosses. In September of that year currency exchange was regulated by the establishment of exchange controls, after the devaluation which the dictator was forced to make.

In 1979, the year of victory, in June there was an attack and massive looting of the city of Managua and its surroundings by persons incited and controlled by the GN with the resulting destruction of the capital city's entire commercial system. It is probable that no one there was left untouched personally by the effects of this looting and destruction. Poultry farms, grain storage facilities, and consumer goods warehouses were destroyed. In rural areas, the sale of livestock was brought to a halt, but the part of the agricultural bourgeoisie allied to Somoza devised ways of illegally getting tens of thousands of livestock out, thus causing severe damage to the Nicaraguan livestock herds. In the area of services, GN bombing raids destroyed most of the departmental hospitals, telephone offices were burned, mass transport facilities were disrupted and half destroyed, supplies of medications and basic grains were removed and destroyed. Power generators operated with relative efficiency, as did the supply of drinking water. In the countryside not enough basic grains could be planted to meet demand within the nation. Of the export goods, the area planted in cotton did not amount to 25,000 "manzanas" [land measure], and the coffee crop was the only one that could be harvested.

The nation had reached these disastrous conditions when the revolutionary victory came. We have all known and experienced these conditions, and we can not deceive ourselves or others. In describing these conditions we have abstracted other factors such as the external debt in dollars contracted by the previous regime and we have concentrated solely on internal and national events which combined to bring about this economic crisis which we are now going through. This is what we have called the background of this crisis.

[21 Oct 81 p 2]

#### [Text] Incidence of External Phenomena

In their public statements published in the communications media, our Nicaraguan bourgeoisie has refrained from mentioning the phenomena we have just listed and they attribute the crisis to political causes and attitudes related to the revolutionary process. They mention the following: lack of administrative capacity of the revolutionaries in power, and lack of productive efficiency of the workers and peasants who have supported the revolution.

Concerning the first allegation, it has been fully proved that these words do not fit reality and that in similar conditions, the so highly vaunted administrative efficiency of the bourgeoisie has not yet been demonstrated. Concerning the second charge, this reveals a lack of knowledge of successful revolutionary processes during the 20th century, along with the persistence of obsolete patterns of thought. According to these concepts, a revolution is simply an exchange of power between dominant minorities, and not a total change of structures. For this reason, it may be of some use to review the mechanism and transition periods of popular revolutions in this century in order to realize that, during the period of revolutionary transformations, production of the businesses which are still operating generally declines. This is caused by the fact that the best workers join the revolutionary army and other organs of the new state. The old work discipline in production, determined by the control of the bourgeois class, collapses, and it takes time for the new revolutionary work discipline to arise. Instead of an accelerated surge in production, which is essential for the real income of the workers to increase, there may be a temporary decline. Furthermore, the productive apparatus which the bourgeoisie passes on to the workers is geared to the distribution of income to bourgeois society. In such conditions, the apparatus can not immediately produce enough additional consumer products, which are needed to raise the real standard of living of the workers. Production has to be transferred toward those items of consumption which are necessary, not to the bourgeois class, but to the proletariat. Often it is necessary to increase the installed capacity to supply the growing needs of the proletariat. All this of course takes time.

Something similar also happens in agriculture. The delivery of unused lands, confiscated from landholders, leads to an improved distribution and consumption of farm products in rural areas. Previously, the rural people did not receive these products; this does bring about a temporary decline in the supply available for urban areas. This state of affairs will last until the production of basic food products increases. This deprivational process of popular revolutionary movements, which is all too well known and has been fully studied, appears during the transition period. This is what the bourgeois rightist leaders have grasped at with the pre-meditated purpose of confusing and deceiving the people, charging the proletariat with inefficiency in production and the revolutionary leadership with administrative incompetence.

All these comments refer exclusively to the internal or national causes of this crisis; we have made a total abstraction of the external phenomena which also affect production, and which are: the worldwide cyclical crisis which is a characteristic feature of the capitalist system; the increasing prices of energy products; the aggressive and destructive policy of the Reagan administration toward Nicaragua; and the decline in prices for our traditional exports, manipulated by the wealthy countries. When all these factors are combined, it is easy to understand the origin of our nation's economic problems.

In such circumstances, the revolutionary government found it necessary to take steps to regulate, to the extent possible, the factors causing the crisis, by means of the economic and social emergency law. The measures have been accepted by the majority of the working people who are the ones directly affected, but not by the minority sector of the bourgeoisie, even though they are the ones who would benefit, for the following reasons. The suspension of the right to strike during the emergency period, the prohibition against occupying factories or businesses because of labor conflicts or to protest undercapitalization, as had been done, and the ban against the use of absences to demand wage increases are mechanisms which benefit the owners of the means and tools of production in the private sector. When labor can be used without any risk of a strike and without the possibility of making wage demands, the profits obtained with the added value extracted from this cheap labor force will be greater.

In the area of state goods and services, such as electric power, transportation, health, drinking water, etc., if spending is not increased because of austerity controls, this will directly benefit private capital, as these services will be cheap, and this will help to decrease the costs of production, especially the cost of the labor force. This will amount to a subsidy for the private production system, which they will use for their own gain.

While the workers and peasants are adversely affected by the emergency law and the owners of the private means of production benefit from it, there is a sector within the state bureaucracy that is ignoring the provisions of the law. Their attitude is one of arrogance and contempt for the working people. They are not concerned about violating traffic laws, about abusing the state property for which they are responsible, about unnecessarily wasting materials and fuels which it is their duty to conserve. At higher levels, they ignore their duty to inform the people, the source of power, about the nation's economic and financial status. But such action is required to halt this crisis, of which we have given a real and objective description of its causes, a description which coincides with the description given by the ECLA [Economic Commission for Latin America] in December 1979, when it predicted for Nicaragua: "An adverse situation without precedent in the recent history of any Central American nation." We believe that looking for other mechanisms or giving greater emphasis to political phenomena is a subtle way of wasting time and trying to spread confusion.

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CSO: 3010/190

## WORK OF 'ANN' NEWS AGENCY IN PAST 2 YEARS DESCRIBED

Managua BARRICADA in Spanish 19 Oct 81 p 7

[Text] The perforated yellow tape is placed in the transmitter. Barely 1 second later, the teletype in Moscow or in Rome receives a news report explaining our people's efforts to boost production. At the head of the news release is an abbreviation: ANN [New Nicaragua Agency].

This is just one of the dozens of news items that the ANN transmits daily through its cable network. That very day, this information with a revolutionary orientation may appear in a foreign paper, conveying a true vision of what is happening in our country.

ANN, which was established exactly 2 years ago, has moved steadily forward, based on realistic planning designed to meet our nation's limitations.

A news agency is always complex. It is essentially a network; its point of reference is its central headquarters and its branches are its correspondents and the countries which receive its reports on a regular basis.

Just 2 years after its creation, ANN is not only a concrete victory of the Sandinist popular revolution, but it is also a true strategic necessity, as it carries Nicaragua's struggle into the international field of information.

#### The Fight for the New Order

The decolonization of information is one of the goals which the developing countries have set for themselves, for some time now. This is of course a very difficult goal to achieve. Dependence is not only reflected in the weak economic structures of the poorer countries, but also, and in a more dangerous and more subtle way, in the manipulation of reality by means of information.

In this final quarter of the 20th century, the aggression of the imperialist countries is being conducted not only physically, but it also includes a monopoly on the news produced in the underdeveloped countries. In other words, the news multinationals give their version of our reality, arranged to suit their own interests.

ANN is now engaged in this unequal struggle. Nicaragua has joined in the battle for a new international information order with its revolutionary agency which, while it can not block the sophisticated and wealthy resources of the multinationals, does present to the world an alternative source of information.

#### A Qualitative Leap Forward

Based in Nicaragua, ANN has become a regional agency over the past 12 months. Correspondents in Mexico, Panama, Costa Rica, and Honduras provide a flow of news coming from those countries. These reports are then redistributed not only to the local information media, but also to other countries.

Placed in the context of the changes taking place in Central America, the agency provides the world with reportage that enables people to grasp the reality without the distortions introduced by the multinationals' point of view.

ANN's qualitative leap forward began in July. In June of this year, each day the agency transmitted about 6,000 words. In August, it was transmitting 12,000 words, and now the teletypes are sending about 18,000 words a day.

Carlos Garcia, the director of ANN, told us: "What we did was to rearrange our resources, including our human resources, and this has obviously worked well."

This reorganization led ANN to reclassify its journalists into three groups: editors or persons responsible for the final product and for the orientation of the news; the group of writers; and a third group of reporters who cover activities and events and report on them by telephone to the central office, where the stories are written.

In this way, says Garcia, we are speeding up the process by avoiding the time-consuming traditional system in which the material produced by the reporter has to be rewritten, which is a constant duplication of work.

Along with these organizational changes, ANN has begun to transmit special materials, commentaries dealing not only with Nicaraguan problems, and with our achievements, but also with world problems.

This new program has led ANN to open branch offices in France, a vital news reception center, and it is thinking of opening other offices in Spain and Sweden soon.

#### Vehicles for This Advance

Obviously, for a small country in the shaky economic situation ours is in, a worldwide information system is little less than unthinkable. Therefore, ANN has sought--and found--the vehicles needed to carry its reports abroad.

An agreement with the Soviet news agency TASS allows news from ANN to be distributed throughout all the socialist countries. Either published completely or used as a serious and reliable point of reference, the ANN news reports have had an impact in the socialist community.

Since July of this year, ANN has also used the channels of the IPS [Third World Inter-Press Service]. ANN is also part of the ASIN [National Integrated Systems Action], which was founded 3 years ago at the initiative of Carlos Andres Perez. The news agencies of Venezuela, Mexico, Peru, Colombia, Ecuador, Panama, Guyana, the Dominican Republic, and Nicaragua are members of this organization.

But independently of ASIN, the ANN distributes its reports through the international channels of IPS, reaching every day 40 countries of Europe, Asia, Africa, and Latin America. In this way, a selection of news reports and commentaries from ANN--approximately 3,000 words a day--reaches all the IPS terminals and is distributed by the local media.

Through Prensa Latina, the Cuban news agency, the ANN materials are distributed to the countries which make up the Non-Aligned Countries News Agencies Pool.

At present, ANN has one reporter taking a course in New York, two at the IPS office in Rome, and three studying communications techniques in the Soviet Union. This is part of a program designed to improve its organization.

#### Objectives of This Program

In analyzing the role of the agency in the campaign against misinformation, Carlos Garcia pointed out: "We are a factor for neutralization in the campaigns being waged abroad against the revolution by the news multinationals and by the reactionary media."

To achieve these goals, the ANN reports go not only to the news media in each country, but also to the embassies of Nicaragua abroad and to the solidarity committees supporting Nicaragua, which reproduce these reports to the extent possible, depending on the resources available to them.

Just 2 years after its founding, ANN is a powerful reality, a real element of combat in the international arena.

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CSO: 3010/190

## DEVELOPMENTS IN COUNTRY'S AGRARIAN REFORM DESCRIBED

## Leon Cooperatives

Managua BARRICADA in Spanish 16 Oct 81 pp 1, 5

[Text] Montalvan, Sacasa, and Guerrero are the names of the three most important families of Leon, owners of more than 38,000 hectares of land. Face-to-face with them are 6,211 peasant families who possess 11,175 hectares.

In other words, each of these peasant families has a maximum of 5 hectares for their farming; and to state that each animal of one of the important families has more land to move around in than the peasants is very close to the truth.

Just as in the rest of the country, Leon will be a district where agrarian reform will continue to change, within a process, unjust relations in land ownership.

Agrarian reform and other measures that are going to be adopted will contribute to ending the injustice between the peasantry and the landowners at the same time that they will help Nicaragua to surpass its production levels, especially regarding agricultural export and food products.

In contrast to what has been stated--that the agrarian reform started last 19 July or that it will be launched today in Wiwili--it can be said that Leon is the practical forerunner of this FSLN (Sandinist National Liberation Front) guideline.

Amid the din of battle, in July 1979, the national board of the FSLN had already opened the first Sandinist agricultural cooperatives, which are the foundation on which, together with the state enterprises, the program of agrarian reform will be established.

## The Experience of 2 Years

Two years and 3 months later, BARRICADA reporters visited two Sandinist Agricultural Cooperatives (CAS) considered to be models in land cultivation through the efficient labor of the small and medium growers.

This collective type of work has been combined with logistic support from the state: technical assistance, markets, fumigation, machinery, credits, etc.

## Present Development

Now we are going to have what we had never had--land to work and the facilities to do it. This is what we were told by Mr Jose Urbina Ruiz, a peasant from Telica and a member of the La Cottora CAS. Urbina Ruiz is a peasant by occupation, with gray hair and memories of a life of seasonal work between one ranch and another throughout the district of Leon.

A founding member of the CAS, Urbina Ruiz stood under the shade of a chilamate and, with his gaze fixed on the 43 manzanas planted with cotton that last season yielded 54 quintals each of the white speck type, he spoke to us about the advantages of collective work.

"If I planted 5 or 10 manzanas all alone," he said to us, "I would have to work with greater effort, because alone I could not do it."

Urbina Ruiz related to us his experience as an individual grower 1 year before the war. At that time, he planted 1 manzana and he harvested 35 quintals. The money for the planting had been lent to him by Octavio Zamora at 2 percent monthly.

The harvest was for Zamora, he told us; and the bother and the coming and going of the oxen was also for Zamora.

Don Jose is a member with eight other compañeros. One of them is a "plaguero." He is Elias Castro. They all have a common background. They were workers at the Gurdian enterprise, where they met one another. They did temporary jobs or worked in the harvests. Their coming and going from one ranch to another unites them, together with the population of Telica.

The CAS is organized with a board of three members, one of whom is the democratically elected coordinator and who has sufficient knowledge to manage the field tasks. Their salaries are the same. No one earns more than anyone else.

Cristobal Carrero Zapata is one of the members responsible for keeping the furrows clean, as if they were dealing with a garden and not with planting cotton.

Sure in the knowledge that the past was left behind and that it will never return, Carrero Zapata told us: "I gave my childhood to the Gurdians. At the San Jose de la Montana (Saint Joseph of the Mountain) ranch I worked for Pancho Galo."

Referring to the ranch that he farms with his compañeros, Carrero Zapata told us finally, "What we like to do is work, and here we have been given the chance. Through PROCAMPO, which held some talks with us, several of us compañeros got together and we are working here."

The Rigoberto Lopez Perez CAS

On the road that leads to the El Limon mine, we find the vegetable CAS, where 16 members rent 16 manzanas of land to plant them with tomatoes, cabbage, and chiltomas.

All of the members, who are landless peasants, are engaged in the planting of vegetables, which is unique in the whole district of Leon. The yield achieved is 1,000 boxes of tomatoes per manzana. The members from Teotecacinto, in the municipality of Jalapa, remember that the ATC (Agricultural Workers Association) organized them initially to go ahead with the cooperative.

The members' immediate prospects are for the granting of agrarian reform titles. They are the ones who make the land productive; nevertheless, they have to pay 400 cordobas per manzana.

In practice, the cooperative tends to become a school for the peasants organized in the area. Its agricultural production is attractive to the district, since it is the future source for providing vegetables to the western region.

#### First Titles Granted

Managua BARRICADA in Spanish 16 Oct 81 pp 1, 5

[Text] The signature of the members of the national board and of the son of Cdr German Pomares, Germancito, were stamped last night on the first title of agrarian reform, which will be delivered today to the peasants of the cooperative that will bear the name of German Pomares, the national hero who fell a few days before the victory.

That same day the Regulation of the Law of Agrarian Reform came into force, and Commander of the Revolution Jaime Wheelock, the minister of agricultural and livestock development and agrarian reform, signed the first resolutions concerning land.

Commander Wheelock signed in the presence of the vice minister for agrarian reform, Salvador Mayorga, and of the secretary general of MIDINRA [Agrarian Reform Ministry], Ruth Herrera, the historic documents that make real the desires of thousands of landless peasants.

#### A Cooperative Organized by Pomares

The first title of agrarian reform, once it was signed by Commander Wheelock, was brought to the other members of the national board, outstanding among whom was Commander of the Revolution Thomas Borge. This title will benefit a cooperative that was formed during the war by CDR German Pomares.

"Thus the agrarian and revolutionary team of German Pomares is fulfilled and of all those who died so that some day our peasants would have land," emphasized Commander Berge, who described as extraordinary the value of this first title of agrarian reform, which must be preserved for future generations, according to him.

Commander of the Revolution Luis Carrion said that the delivery of the titles of agrarian reform that will be made today "is possibly one of the most important actions, is not the most important of all the actions of the revolutionary government since 19 July 1979, because it represents laying the first building block

of the fulfillment of a dream long cherished by our peasants, our laborers on the land, by our immortal general of free men, Augusto Cesar Sandino, which at the same time means the start of a profound change in the socio-economic foundations of Nicaragua."

The German Pomares Cooperative is in the municipality of Yali, district of Jinotega, and 209 manzanas were allocated to it from the Las Delicias state production unit.

At this early stage, all the lands that will be handed over to the peasants who are organized in northern Nicaragua are state lands.

#### The Regulation of the Law of Agrarian Reform

On signing the regulation of the law of agrarian reform, Commander Wheelock emphasized that, despite the fact that the law authorized the minister to issue an agreement on agrarian reform, without need for the regulation, it was not until the regulation came into force that the first measures were taken.

MIDINRA Minister Wheelock drew attention to article 50 of the regulation, which establishes an explanation regarding the lands allotted to cattle raising. According to article 6 of the law of agrarian reform, on the lands devoted to cattle raising in region A there should be one head for every two manzanas and, in region B, up to three manzanas for each head of cattle.

"What is happening," Wheelock explained, "is that because of a series of natural conditions, topographic factors, the quality of the soil, because of traditional practices and losses in the war, there are some resulting stockbreeders who are in a difficult situation and who could be affected by the law, it is within this context that MIDINRA will be able to make special considerations, thus leaving the application of the law even more flexible.

"Undoubtedly this is going to benefit some stockbreeders who are ready to work, and we are ready to recommend them before the National Finance System and before the various programs for the development of cattle raising," said Commander Wheelock.

#### The Regional Councils for Agrarian Reform

The Regional Councils for Agrarian Reform are regulated in two ways, explained Wheelock; relating to its composition and its functions.

The National Council of Agrarian Reform has only seven members. On the other hand, added Wheelock, in the Regional Councils "we have wished to leave participation slightly open because in some regions we have certain bodies that are more important than in others, and it has been established that, at least, the regional delegate of the ministry of the corresponding region must be present, along with a representative of the ATC [Rural Workers Association], one from UNAG [National Union of Farmers and Cattle Raisers] and one from the municipal juntas of the region, with the aim of giving participation to the district authorities in the process of agrarian reform."

The regional councils also have the task of assessing the agrarian reform process and finally issuing opinions on how lands will be affected and their allocation.

#### The Agrarian Reform Bonds

Salvador Mayorga emphasized the regulation's procedures for compensation, which establishes a mechanism for payment through bonds, stipulating classification into three types of bonds.

The bonds, which will be of A, B, and C class, will be allocated in accordance with the type of land that is affected and the reason for its inclusion. It will be the responsibility of the ministry to deliver the bonds, once the amount of compensation has been determined through various mechanisms that also are established in the regulation.

The maturities and rates of interest of the bonds would vary from 15 to 25 years and from 2 percent to 4 percent yearly.

#### The First Person Affected by the Law of Agrarian Reform

At the end of the session, they made known the name of the first person affected by the law of agrarian reform, who is Marcelino Galeano Salinas, who had a coffee growing and cattle raising property that was expropriated because production had been abandoned and because Galeano had joined with the bands of former Somoza guards who are operating in the Wiwili area.

"This is a landowner who was a despot in that region, and who had a completely wrong attitude toward the revolution, to the extent that he allied himself with elements of the genocidal former guard and had established on his ranch a counter-revolutionary encampment," explained Commander Wheelock.

While he signed the resolution affecting the Galeano Salinas ranch, MIDINRA Minister Wheelock stated that, "We are answering this counterrevolutionary with the law of the workers and peasants."

At the conclusion of this historic event, Commander Wheelock said that the signing of these decrees expressed a reality that could only occur thanks to the bravery of and the blood spilled by the thousands of martyrs of the revolution.

"It is up to us, who through a series of factors were able to come out alive, to carry forward the process of agrarian reform that was always included in our revolutionary program, and we feel extremely satisfied to be fulfilling this program for the martyrs, fulfilling it for Sandino, for Zeledon, for all the poor of Nicaragua and the children of the peasants," Wheelock concluded.

#### Agrarian Reform Tribunal

Managua BARRICADA in Spanish 21 Oct 81 p 12

[Text] The requirements anticipated in the law of agrarian reform were completed yesterday when the Secretary of the Government Junta, Rodrigo Reyes, swore in the

members of the Agrarian Tribunal in the presence of Commander of the Revolution Jaime Wheelock, who also is the minister for agricultural and livestock development and agrarian reform, and Dr Ernesto Castillo, minister of justice.

The Agrarian Tribunal, which is directly dependent on the Government Junta, will hear the appeals of the sentences that MIDINRA will pronounce against the lands affected by the agrarian reform, and the tribunal will operate initially at Government House itself.

Minister of Justice Castillo explained on this occasion that the composition of the tribunal responded to consultations that were held with the peasants and the small and medium growers since before the enactment of the agrarian reform law.

This tribunal, added Castillo, could not be a traditional body, but together with the technical capacity to conduct the proceedings, through the presence of a lawyer, there also had to be "the participation of peasants, of stockbreeders who are working for the reconstruction of Nicaragua and of persons representing those sectors who know agriculture, who know the problems of agriculture and who at the moment of pronouncing a sentence, more than adhering to a strict formalism, understand the rights of the claimant as well as the objective needs of the revolution within the agrarian reform project."

Because of the tribunal's very composition, it is trusted that it will be sufficiently dynamic so that in no way will the legal procedures delay production, concluded Castillo.

#### Growers Represented in Tribunal

Commander Wheelock referred to the members of the Agrarian Tribunal to point out that they are a guarantee of its functioning, and he first mentioned compañera Amada Pineda de Arauz, "who faithfully represents the peasantry," Wheelock said.

Wheelock then mentioned Alfonso Nunez, who interprets the interests of the small and medium growers; Adolfo Guerra, stockbreeder and father of Sandinist hero Xavier Guerra; and Nemesio Porras, "the first Nicaraguan who was concerned with systematizing the problem of land and its ownership in Nicaragua."

Finally, Wheelock mentioned compañero Eddy Grijalba, who until a few days ago was the vice minister of justice and who will occupy for 1 year the presidency of the tribunal, ensuring the technical aspects of the proceedings of which the tribunal will be in charge.

#### Tribunal Already Functioning

According to the explanation given by Commander Wheelock, the procedures established to protect all those persons who feel they have been injured started to function at the same time that the tribunal was sworn in.

"The Agrarian Tribunal is going to operate as a way of perfecting the application of justice in agrarian reform," Wheelock pointed out.

The procedure for lands that are affected starts first with finding idle and abandoned lands. It is then up to the local council for agrarian reform, through the regional director for agrarian reform, to propose to the MIDINRA minister that the land is affected, by issuing an "agreement of inclusion."

At that moment, the time limit begins and the procedure in which the Agrarian Tribunal is included starts to operate, as a resort of appeals that has in a certain sense a decided character of protection," Wheelock added.

Once the tribunal has issued its sentence by majority, the decision is firm, with the tribunal then going ahead to allocate the land that has been affected, which, depending on the case, will benefit a small grower, a landless peasant, a person in a precarious situation, a tenant farmer or will be incorporated into the state, with the respective titles of agrarian reform being granted.

MIDINRA Minister Wheelock clarified that, in the case of the titles granted in Wiwili, it was a matter of state lands given to the peasants, on which there is no appeal at all before the tribunal. The tribunal could start to take action in a case in which there has been a claim by the owners whose lands were affected by the resolutions made known on 16 October.

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CSO: 3010/192

## CONCERN EXPRESSED OVER BALANCE OF PAYMENTS

Lima EL COMERCIO in Spanish 15 Oct 81 p A-2

[Editorial: "Behavior of the Balance of Payments Is Not Encouraging"]

[Text] According to figures provided by the Central Reserve Bank, at the end of the first 6 months of this year, our balance of payments showed a deficit of \$660.3 million, which must be interpreted as a position diametrically opposite to that which was observed during the previous year, which closed with a surplus of nearly \$730 million. Evidently, the contrast does not come down to a simple change of digits but has been turned into an indicator that the external sector of our economy has experienced a change, which must also be interpreted as meaning a greater vulnerability to the tendency toward recession in the international economic structure, characterized by the prevalence of the inflationary factor.

The same source analyzes the four factors stimulating the tendency toward a deficit: A drop in the prices of our export products, difficulties in selling the nontraditional products, a considerable increase in imports, and the advance payment of the refinancing arrangement reached with foreign banks in 1978.

In effect, during the period affected by the deficit sensitive changes have occurred in the prices for our export products in the industrialized market. Fish meal, coffee, copper, silver, and lead suffered that drop in price. Rice and sugar, which experienced a similar decline, turned out favoring us in the exchange because of the fact that we have changed from being a country importing those products. Only cotton, zinc, and petroleum achieved important price increases.

This situation is beyond the control of our economy. Rather, it is a consequence of the location of our country in the relationship and the exchange which is taking place with the central economies, the principal consumers of our production and, for that reason, directly responsible for the behavior of the market, which they control through the financial systems, investment, the needs of their productive machine and, of course, the advantages proper to protectionism which they practice in favor of their internal market, as can be seen--to cite only two examples--in the cases of limitations on the import sector of their market and the sale, in the form of "dumping," of their own strategic reserves. This is on the point of happening with relation to North American silver.

The other factor--the difficulty of selling the nontraditional products--was determined by the decline of the external market for some of those products and the internal reduction of quantities available for export. This last situation is derived from the lack of true stimuli to domestic industry and from the change of some treatment rules for domestic production, and not so much because of the levels of recovery of the internal consumption market, as the Instituto Emisor would appear to understand.

As for internal causes, the increase in imports is more relevant as a factor in the loss of position in the balance of payments, from which it is evident that proper controls in imports, especially those which displace domestic production or stimulate extravagant consumption, is an essential key to reach adequate levels in the relationship between exports and imports. In this respect tariff changes play an important, moderating role. Specifically, domestic industry is complaining of the lack of policies favoring industrial development. What is happening with the balance of payments could be connected, in a certain way, with this observation.

Finally, it is true that prepaying the refinancing arrangement made in 1978 has had an important part in the results shown by the balance of payments. The positive aspect of this decision lies in the savings of foreign exchange in terms of interest, besides recovering our image in terms of international banking. Nevertheless, this disbursement of foreign exchange changed the availability of our net reserves and, of course, influenced the behavior of our balance of payments.

5170

CSO: 3010/138

## LABOR MINISTER OBJECTS TO POLITICAL DEBATE ON STRIKE LAW

Lima EL COMERCIO in Spanish 15 Oct 81 p A-4

[Text] Minister of Labor Grados Bertorini yesterday expressed his disapproval that the bill on strikes is generating ideological and political debates in Parliament, rather than discussions concerning labor.

Grados expressed regret that there has been partisan voting on this bill and urged rather that it should be supported, "since this is one of the most advanced bills on strikes in South America," he said.

He stated that since the bill has been sent by the Tripartite Committee to Parliament, majority and minority drafts have emerged, giving the impression that there is a discrepancy between them.

"Our bill," the minister of labor stated, "is not antistrike, nor is it antilabor. Rather, it is perfectly constitutional and is 80 percent based on the original draft which I presented to the Tripartite Committee."

The minister pointed out that even the bill supported by APRA [American Revolutionary Popular Alliance] and the left--which is the minority bill--basically is not different from the bill sent down by the executive branch, but on the other hand the opposition representatives have given priority to political and ideological interests, creating an apparent polarization in the debate.

He pointed out that, in his view, strikes must be peaceful and noted that this concept of pacifism has also provoked differing opinions in the parliamentary debate.

He announced that today the Tripartite Committee, through him, will take up the draft law on strikes sent to Parliament.

#### Returning Miners to Work

In another part of his statements in the Government Palace, after leaving his weekly meeting, he noted that, with the businessmen belonging to the Tripartite Committee and representatives of the Southern Peru Copper Company, he will consider the possibility of putting back to work all of the 106 workers who were fired by that company.

He recalled that, by decision of the Tripartite Committee, a group of 22 workers had already been returned to work. "If we could not return all of them to work, there would be the alternative of compensating them in some way," the minister of labor noted.

He also referred to the fact that the government is in a position to assure the workers in the silver mines that there will be no unemployment, despite the difficult situation which affects this sector, due to the crisis in the international market for that metal.

Grados Bertorini explained that the government will extend credit to small and medium-sized mining firms to maintain production and avoid a closing of the mines.

In answer to a question he said that in some sectors there is nostalgia for ministers of labor who oppressed the workers and acted arbitrarily. "These people are those who do not support the democratic dialogue to find solutions to labor and national problems," Grados concluded.

5170

CSO: 3010/138

**LEFTIST INTERNAL ELECTION, PETKOFF, RANGEL'S ROLE ANALYZED**

Caracas RESUMEN in Spanish 1 Nov 81 pp 4-5

[Text] RESUMEN has asked a group of poll-watchers to analyze and interpret the numbers posted by Jose Vicente Rangel (PCV [Communist Party of Venezuela]-NA [New Alternative]) and Teodoro Petkoff (MAS [Movement for Socialism]).

How is Petkoff's candidacy doing? How are things going on the Left? What's happened with the people in New Alternative? What do the polls tell us about the two hopefuls, Petkoff and Rangel? These are just some of the questions that experts, professionals and laymen are asking themselves in connection with the appearance of Jose Vicente Rangel and Teodoro Petkoff, the two leftist candidates, in the polls. RESUMEN has consulted a number of analysts, who have come to the following conclusions.

**Petkoff**

Contrary to appearances...the experts we consulted were unanimous in their opinion that Petkoff's emergence in all of the polls is a significant development and that his standing is almost inevitably bound to increase. Briefly put, the reasons they cite are as follows:

First, Petkoff "formalized" his candidacy, as far as MAS was concerned, on 17 July 1981. Before this, there was always the possibility that MAS would again nominate Rangel or move in the direction of Pompeyo Marquez. This is a very significant development, because Petkoff rarely made it into the polls as a "candidate," and when he did, he got very low totals, less than or slightly more than one percentage point. Technically speaking, Petkoff's first "publicity" problem was to make himself known as a candidate, even to the MAS people themselves. He seems to have achieved reasonable success in this effort, partly because of MAS' undeniable nationwide standing as a party and because of several factors that could be regarded as negative from another standpoint, such as Villalba's veiled accusation and the resulting scandal. Even if this wound up being somewhat negative for Petkoff, it did have its positive side because it tagged him once and for all as a "candidate," which was precisely his initial objective. Today, in October 1981, just 3 months later, we can state that Petkoff is indeed a candidate and that the polls cannot ignore his presence. It is in this sense that the analysts see

Petkoff's "score" as even more significant, because he is up there with such major candidates as Caldera (a four-time candidate and a former president), Lusinchi (who opposed Pinerua for the nomination and ran successfully for secretary general) and Jose Vicente Rangel (a two-time candidate). Experience shows that having been a candidate of a faction (like Rangel) or of a party (like the others) leaves a deep imprint on people's memory and has a very powerful inertia not only among those who voted for the man but also among those who became disillusioned and plan to vote "against," not "for" someone.

Second, what impresses poll-watchers most about Petkoff is that he is the candidate of a party with an unquestionably organized presence throughout the country and in very influential sectors of the mass media. Analysts point out that when the polls ask about backing for parties, not individuals or candidates, they find that there are only three political organizations in Venezuela that deserve that label: Democratic Action (AD), COPEI [Social Christian Party] and MAS. In this regard, the organizational base of Petkoff's candidacy, his vehicle, is much stronger than the other leftwing candidate's (some have virtually described him as a "bluff"), and he is running shoulder-to-shoulder with COPEI...This could mean one of two things: Either COPEI has slipped greatly or MAS is very much on the rise. Let's take a look. In a Gaither poll of party support, AD gets 42 percent, COPEI 17 percent and MAS 11 percent. In a Gallup poll AD gets 25 percent, MAS 20 percent and COPEI 17 percent. The differences between the two polls do not hide the fact that MAS has risen and COPEI fallen. As far as Petkoff's candidacy is concerned, this means, looking to the months ahead, that the tide is running Petkoff's way.

#### Jose Vicente Rangel

Rangel's case was examined thoroughly by the experts that RESUMEN called on. They disagreed on a number of points but agreed in principle that the last word has not been spoken on the Rangel-Petkoff faceoff. We will have to see what happens over the next few months, but it looks now as if a "scissors effect" is taking place; in other words, the trend is upward for Petkoff and downward for Rangel. Here is a summary of their explanations.

First, Rangel is unquestionably holding steady. A sign of strength? Of stagnation? It's too early to tell. The fact is that he is not moving up. On this point, there is a significant discrepancy between the figures given by DATOS and those of Gaither and Gallup. It is quite possible that there has been some doctoring here by DATOS, which likes to wave the "red flag." In any case, the factors in Rangel's favor that are helping to keep him where he stands (in third place) are as follows: a) The inertia of having been a "leftwing" and MAS candidate; b) The fact that many MAS activists and sympathizers still think he is the MAS candidate when polls are taken; c) The fact that many backers of a leftwing candidate (alone or coalition) think so too, and d) The fact that many people who are not leftists and who even oppose the Left continue to regard Rangel as the candidate of MAS and the Left. All of these factors are in Rangel's favor...but they will tend to

turn against him as the Petkoff-Rangel picture clears up. Obviously, an understanding between them (whereby one of the two would drop out and support the other) would change the picture and perhaps further the other candidate, but there is a consensus among the analysts that if this comes to pass, it will not be right away and that if it does not happen immediately, it will not have its potential "beneficial" impact if and when it takes place.

Second, the poll-watchers also agree on a series of "negative" factors for Rangel, as part of the so-called "scissors effect." These are: a) The fact that he is the candidate of the Communist Party and of so-called "sinister socialism." Rangel will be forced by events to back developments that are highly unpopular but that constitute "dogmatic truth" to orthodox communists. We have even noticed that upon his return from the USSR and Cuba, Rangel has begun addressing issues that lend themselves to prefabricated rhetoric, which has yielded the communists such poor results in every country in which they have run in elections.

B) Even more than this, though, the analysts feel that the lack of a real party machine is what will cause Rangel to slip in future polls. They feel, however, that Rangel has cultivated good relations with the media with striking skill, and they could project an image of him that is not at all in keeping with his actual ability to run a nationwide campaign. Rangel does not seem to have developed a homogeneous, efficient and, above all, nationwide team. The small groups that make up the so-called New Alternative (Revolutionary Action Groups, Movement of the Revolutionary Left, Americo, Vanguard, FREDEBO, etc) are incapable of operating outside their tiny spheres.

#### The Unity of the Left

Contrary to how it might seem from all of the above, the analysts agree that a strong Petkoff candidacy does not seem to have hurt Rangel that much, and vice versa. There must, of course, be some impact, but it is still undetectable. The issue of a leftwing candidate (which some polls raise) continues to favor Rangel, but the aforementioned arguments about Rangel's "static-downward" trend and Petkoff's "upward" trend still hold. The analysts feel that a spectacular withdrawal of either candidate would unquestionably benefit the other. In this regard, the talks on the so-called "leftwing primaries" are moving ahead slowly; they are not at a standstill, but there is little enthusiasm either. In point of fact, they are discussing "rules of procedure," which could be out by mid-1982, if at all.

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## EDUARDO FERNANDEZ' ROLE WITHIN COPEI DISCUSSED

Caracas BOHEMIA in Spanish 1 Nov 81 pp 6-9

[Text] When tensions within COPEI got to the point that serious consequences were in the offing, a conciliatory meeting was immediately arranged at Jose Antonio Perez Diaz' house. At the get-together, veteran political leader Dr Luciano Valero commented jokingly:

"Man, this guy (he actually used another word and was referring to Eduardo Fernandez, who was listening beside him) has got us in a real fix with his 'doggie paddle.'"

"Just a minute, Luciano; explain to me what you're talking about," Eduardo interrupted.

"Well, haven't you ever seen a dog crossing a river? You can't see his legs when he's swimming, but he keeps moving forward."

This was how one of the men closest to President Herrera described one of COPEI's leading figures. But the important thing was that the meeting succeeded in calming people down, and an "entente cordiale," a traditional hallmark of the green party, made a strong comeback.

Nevertheless, tensions, arguments and ambitions were not completely done away with. We saw proof of this in the recent National Board meeting, where Dr Caldera was apparently victorious, Pedro Pablo Aguilar was virtually defeated, certain doubts arose about Montes de Oca's prospects, and Eduardo Fernandez was clearly a winner. Fernandez, like the swimming dog, became the most respected COPEI leader in recent times and thus achieved one of his goals without people noticing how he got there.

The National Board meeting that has just concluded will doubtless go down in COPEI history because it was a gage of the real strength of the various factions fighting to further their positions. The real winner of this soon-to-conclude match is the question mark that we will try to erase for our readers in this article.

Caldera: "To Administer Abundance with..."

In the wake of the National Board meeting, at which Eduardo Fernandez' proposals were passed by a wide majority, the Caldera faction has been forced

to administer its victory very carefully. Only a political newcomer, never an intelligent man like Caldera, would think of proclaiming victory at this point and in these circumstances. He knows that having the helm of government in one's hand affords great power, and that is what Montes de Oca, his main rival, has, in addition to great leadership qualities.

Nevertheless, although the government's image is rubbing off on him too, Dr Caldera is determined to compete with all of his available resources, save one: negotiation. To him, his ambition is not negotiable, even for all the gold in the world. He has very fond memories of the Misia Jacinta Palace. Therefore, he acknowledged publicly at the meeting that Abdon called at the Hotel Bruno in Sabana Grande last 3 October that he would seek his party's presidential nomination. That same evening he left for Madrid, leaving a hornet's nest behind him in COPEI.

#### Pedro Pablo's Chinese Tactics

The day after Caldera went to Spain, Pedro Pablo Aguilar, who had been visiting the new COPEI Mecca, Peking, returned to Caracas. Aguilar brought back new ideas from the Far East to add to his finely honed political experience. "What will Pedro Pablo's new strategy be?" "Will he beat Caldera?" asked his followers every step of the way, placing their complete confidence in him.

Pedro Pablo's first "Peking" move was to wrest control of the negotiations with Secretary General Eduardo Fernandez away from the "Pepi" faction, in order to prevent the Caldera faction's maneuver from working out. "We have to stop the party authorities from being reelected at the upcoming National Board meeting and call for a National Convention to democratically elect a new National Committee," was the nationwide rallying cry of the Pedro Pablo faction.

#### San Juan Has It All, San Juan Gives It All

Pedro Pablo called a national meeting of his faction for 12 October in San Juan de los Morros. The invitees ranged from President Herrera, "Pepi" Montes de Oca, several ministers and governors, to the most fanatic Pedro Pablo man in Escuque. The strength of Aguilar's following was to be gaged there. Eduardo Fernandez himself did not want to miss this show, citing the excuse that "wherever two COPEI members might meet, I will be there as secretary general on behalf of COPEI." It was a way of shielding himself from the criticism that they leveled at him for showing up at the Hotel Bruno. But in passing, Eduardo was going to count up the votes that Pedro Pablo got and check out the strength with which Aguilar was threatening him every step of the way.

The meeting began with neither President Herrera, nor Montes de Oca, nor Luciano Valero, nor Garcia Bustillos there. Also significant was the absence of ministers, party secretaries general at the regional level and many rank-and-file staff. Key people (for Pedro Pablo's strategy) from Portuguesa, Yaracuy, Barinas, Carabobo, Apure and all but five of the invited

governors failed to attend the event. Of the 14 secretaries general that the Pedro Pablo faction allegedly controlled, only 4 attended. This scant showing led a "Herrera" senator to comment: "The fact of the matter is that what makes this meeting shine is the presence of Eduardo Fernandez."

The unsuccessful summit meeting in San Juan forced the Herrera faction to alter its plans. "We can't stage a National Convention if the people who came to Guarico represent our real strength," was the comment by some of "Pepi's" strategists.

Then came the negotiations with Eduardo Fernandez. This is what Pedro Pablo proposed to him: We'll support your reelection in exchange for their (the Caldera faction) allowing the National Committee to be expanded with a good number of "Herrera-Pedro Pablo-Pepi" people.

No agreement was reached, however, though the door was not completely closed either.

#### Winner Take All

Uncertainty reigned at Parque Central when the National Board meeting was held. In light of the agreements that Eduardo Fernandez and Pedro Pablo had been pushing for, many of the hardline Caldera people grew frightened and immediately called their leader back from Madrid. Caldera rushed back (he took a DC-10) and showed up just in time to hear Eduardo Fernandez read his report and present his conciliatory position. Although Fernandez denies it, he met secretly with Caldera and Oswaldo Alvarez Paz, and they decided not to negotiate with the Herrera faction. "I will not accept a consensus with deals," Caldera would later tell all of the delegates.

Then they got down to brass tacks. In a fiery speech in the presence of reporters (a brand new democratic approach that COPEI is introducing in Venezuelan politics), the secretary general proposed that the party's current authorities be reelected, that no convention be staged to elect new authorities until after 1983 and that, in any case, the National Board be expanded with several individuals to be selected on their merits, not for belonging to a given faction.

Pedro Pablo was in hot water. He could not come up with anything to say and finally had to give in. Caldera had won this round. There was consolation for the Herrera people, however: There was no move to announce Caldera's candidacy without further ado, as Abdon Vivas had planned.

#### The "Dauphin" Becomes a Shark

One of the most significant developments in this squabbling among COPEI factions is that Caldera's so-called "dauphin," Eduardo Fernandez, has become a real "shark." Many thought that the young leader had no chance to make it up the ladder in COPEI because he had no rung of his own. But the facts have shown otherwise. Eduardo Fernandez has served as secretary general like a true modern leader. He has been able to skillfully weather hard times.

He has placed himself above party trifles and has shown himself equal to the position he holds. This is why he has attempted to reconcile the party with the administration. And this is why Luis Herrera expressed public appreciation to him. By the same token, he has tried to avoid getting involved in direct squabbling among COPEI's factions, and this is why Pepi wants him to mediate his conflicts with Caldera.

"If things continue this way, Eduardo Fernandez will consolidate himself as the political figure with the brightest future in COPEI, though we should not, of course, forget about Rafael Andres Montes de Oca, a leader of great charisma and administrative skills," Americo Martin remarked a few days ago to his colleague Etanislao Gonzalez as they were seated in Congress.

Party factions aside, the big winner at the recent COPEI caucuses was Eduardo Fernandez.

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CSO: 3010/251

AD, COPEI, PCV, MAS, POTENTIAL CANDIDATES VIEWED

Caracas RESUMEN in Spanish 1 Nov 81 p 36

[Article by Carlos Blanco: "Politics and Panic"]

[Text] A certain type of politics (some call it contemporary) revolves around public opinion trends and the polls that sound them out. Polls have become the oracle that modern politicians consult. A one percent rise brings smiles; a slight drop, annoyance; and a sharp fall, even if relative, a state of panic.

There are various explanations for the omnipresence of polls, among them that the prevailing politics in Venezuela today is electoral and that polls, which reflect the public's mood at a given moment, are very similar to the act of voting at a given moment. In addition, the importance of polls stems from the lack of other reference points for the parties to formulate policy, in other words, there is no intense social struggle, no rallies, no social organizations with a strong public presence. This makes opinion polls a practically irreplaceable guideline for party election machines.

Nevertheless, these significant polls are tragic in a way, above and beyond the numbers that they provide us. Their findings are generated by a correlation of given social forces, and therefore they reflect some leanings and not others, some problems and not others, some foreseeable developments and not others. Thus, engaging in politics on the basis of the polls, in a way means reproducing the social situation that they reflect. I am not, of course, trying to downplay them as indicators of public opinion; I am just trying to ascertain their scope.

Caldera and Lusinchi

The relationship between AD and COPEI, immersed in the logic of the polls and with their respective likely candidates, is plainly dramatic. In point of fact, the best card that COPEI could unquestionably play is Rafael Caldera, but he is being hounded by Lusinchi, and what is more, Lusinchi is far ahead of him in certain polls. The lead becomes huge when we consider the contest between AD and COPEI, in which the latter is falling more and more behind the former.

There are several reasons for Jaime Lusinchi's lead, some having to do with internal developments in AD and others with the political context. Within AD, Lusinchi has become a sort of compromise candidate for the party's Betancur and Perez factions, its major ones, because he is portraying himself as a leader who can dispel the frustration caused by the defeat of Pinerua, who has been principally blamed for the setback. The external factor helping the AD presidential hopeful is that because the Left has not yet managed to come up with a single platform, much of the potential electoral support for an alternative platform felt to be viable is drifting towards AD.

Perhaps the main responsibility for the gap between Caldera and Lusinchi falls to the COPEI administration of President Herrera, who in a sort of diabolical logic is seemingly going to force COPEI to run its best candidate but while pursuing policies that will make his defeat inevitable, thus making the Caldera faction pay the piper for the disaster. Nevertheless, there are some far from easy episodes that remain to be played out in the internal struggles of both AD and COPEI, and such developments will help determine whether the standings of their candidates remain the same, whether the gap widens and whether the two-party system holds up.

#### The Polls and the Left

There have been interesting developments on the Left that have been partially reflected in the polls; they have mainly to do with the gap between the two hubs around which leftist electoral support has mostly gathered: Jose Vicente Rangel and MAS [Movement for Socialism]. It is particularly impressive that Rangel, virtually by means of his political image and significance alone, and lacking a apparatus (as the shame-faced Stalinists say), has not only become the leading leftist candidate but in some polls and in some cities is right up there with Caldera and Lusinchi.

It bears noting that the Gaither poll gives Jose Vicente Rangel 9 percent, against 5 for Teodoro Petkoff; Gallup has Rangel at 8.9 percent, compared to 2.3 for Petkoff, while the DATOS numbers are 15 and 5 percent. MAS' prominent role as an organization is noteworthy, as it even stands well above its current candidate, but when we look at the numbers in the Gallup poll, for example, we see that 52.6 percent of MAS sympathizers back Jose Vicente Rangel. We should also take notice that New Alternative, a movement that is far from being an organization, has begun to appear in some polls, Gaither for example.

In any case, the polls show that Jose Vicente Rangel is clearly in the lead on the Left, that there is a real chance that unity would shatter the AD-COPEI two-party grip and that the forces and factions that now support Rangel have to develop a national political organization in which to crystallize the support that he elicits among vast segments of the populace.

The Left's big challenge is to develop policies that will enable it to have a strong and combative social presence, to garner close to 30 percent of the vote and to make it into government during the decisive decade of the 1980's.

## UCV STUDENTS STAGE SALVADORAN SOLIDARITY MARCH

Caracas EL NACIONAL in Spanish 30 Oct 81 p C-2

[Article by Hector Landaeta: "The University Students 'Painted Caracas'"]

[Text] About 5,000 students paraded from the UCV [Central University of Venezuela] to El Venezolano Square while crowding the walls with slogans in support of the Salvadoran people.

The walls of Caracas were talking more than ever before about El Salvador because yesterday the paintings expressed the language of a student march which, from the UCV to El Venezolano Square, spread slogans "as an expression of solidarity with the Salvadoran people."

The troublemakers were running around, looking for trouble, looking for chaos, looking for confusion which did not materialize because the forces of law and order had made themselves felt.

"Please go away, we will not have any sabotage or trouble here," a student leader shouted forcefully when they turned up. The march ended successfully with a chorus of voices singing the national anthem. All political youth groups, except for those from the Social Christian Party, were present.

The first shouting was heard at the gates of the UCV at 1100. This marked the beginning of a march which became a busy day of painting. With the flags of Venezuela and El Salvador in the lead and a rain from spray cans, they burst into the remodeled El Venezolana Square.

The signs:

"Where are the real lessons of education? They are to be found in El Salvador."

And the chorus of voices repeated; "We are a country of liberators, not intervenors."

La Salle Avenue was gradually cleared out. Absence of political leaders in the lead group. Only Julio Escalona and Orlando Yajure; the rest were student leaders.

From a balcony, a man wearing a sharp business suit made a disapproving gesture. But nobody cared. The march continued and four groups of people were formed.

The walls were painted with crude and then the posters were stuck on. The people nearby were whispering. Some joined the march while others just listened. "We are not parading; we are protesting."

And the protest was planned, certainly when it came to the spray cans. Groups armed with their cans were leaving their marks. When they reached Andres Bello Avenue, they received a salute from a hand accustomed to such a gesture: Hector Mujica raised his right hand while talking to a transit inspector.

Just a few yards further on, the troublemakers turned up; two, four, six, eight, the action vanguard began to make trouble. The students were determined "not to let them bother us." We will thank them to withdraw. Down with the saboteurs. There must be no sabotage. One of the troublemakers replied by simply strutting up and down. Spirits became heated up and the first clash of violence exploded. The hoods were delighted for a moment but nothing more. The majority prevailed. "Even if we have to hit them, we will drive them away," a student shouted energetically.

The painting parade continued. "Those poor fellows were all hopped up on beauty because they do not have pistols like the police." "The UCV in the streets against intervention."

There was one sign for the political prisoners: "We demand the transfer of the 13 September Movement to the model prison"--signed by the People's Support Committee for Prisoners.

Thousands of people looked on from the balconies and someone, a rather plump lady, was displaying her legs, making as if she was washing a window. There was little interest in looking up. One demonstrator was bouncing a rubber ball as the march entered Urdaneta Avenue. Some figured that there were between 4,000 and 5,000 persons. Everything was calm. The hoods were desperate while the paintings went up on all walls.

The temperature rose as the march crossed at the corner of Beroes heading toward El Venezolano Square and everybody was looking for his assigned place. The forces of law and order on one side and the hoods on the other side.

#### El Salvador

The central event took shape on an improvised platform in front of Bolivar House. Before that, under the gloriously political words of the Liberator: "If nature is in opposition...," significant words began to appear on the walls.

Gonzalo Gonzalez, president of FCU [Federation of University Centers]-UCV asked for a minute of silence and said: "The young people had not until today taken up the commitment of responding to the Venezuelan position on El Salvador." He asked punishment "for the murderers of the Pro Patria students." Finally he said: "The Social Christian Party should get out of El Salvador because the force of the people and youth cannot be stopped."

He was followed on the platform by MIR [Movement of the Revolutionary Left] Deputy Makario Gonzalez: "The commitment of the young people to the country and to the people of Caracas is to continue to agree to leave the Social Christian Party alone so that they may speak in the name of the Social Christian Party and so that they may say that those dead are mine and I am sending them resources so that they may kill them."

And he recalled a dramatic situation: "Venezuelan youth is launching this supreme cause, this optimistic cry for life and liberty, at a moment when our flag is being burned in democratic countries throughout the world thanks to the actions which this administration is taking presumably in the name of the people."

He hailed the initiative aimed at urging the CTV [Confederation of Venezuelan Workers] to conduct a national strike as an expression of solidarity with El Salvador.

Domingo Alberto Rangel followed with a speech which someone tried to sabotage but he was able to finish.

"All youth groups throughout the country must unite to force the Social Christian Party to stop its support for the genocidal junta in El Salvador."

Calixto Zelaya, a member of the Farabundo Marti Front of El Salvador also spoke. He recalled the importance of the Salvadoran struggle front abroad. "The junta is getting political support through direct intervention." It is necessary to neutralize foreign aid. Everything that comes in in support of so-called education plans or housing plans is being used to purchase arms and to kill the people."

Artistobulo Isturiz, a member of the Venezuelan Teachers' Federation, repeated the support of the teachers for the struggle in solidarity with El Salvador.

Finally, Clara Herrera, sister of the student killed several days ago, spoke out to report that there had been witnesses who "saw the members of the National Guard murder my brother." She said that Dr Iraida Trias, at the office of the attorney general, told her that she was sure that "this matter involving the National Guard is out of my jurisdiction."

The hoods made one last attempt to cause trouble. But they were stopped when the shout went up "U.U.uc-V.U.U.UCV." They withdrew. This time they had lost.

The event closed with the crowd singing the national anthem. Caracas had been painted with voices of protest.

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## TEACHERS' STRIKE CAUSES LOSS OF 465 CLASS HOURS

Caracas EL NACIONAL in Spanish. 30 Oct 81 p C-3

[Article by Jose Ramon Diaz: "So Far, 465 Hours Without Classes and More Than 400 Millions Lost"]

[Text] More than 4.5 million children and teenagers are in effect suffering as a result of the trouble caused by an obvious deterioration in the education system.

Something like 45 class-hours have been lost as of now by children and teenagers attending the country's government school establishments as a result of the latest teacher conflict.

Apart from that--and this is the estimate of education officials--the material or economic losses already exceed 400 million bolivares, taking into account the fact that the budget for the education sector for the current year had been estimated at 11,627,000,000; that of course leaves 40 percent for the university institutions.

This conflict has left its mark. Those who are marked as a matter of fact are the millions of children and teenagers who attend the thousands of classrooms throughout the nation, not taking into account the social costs deriving from each confrontation between the office of education and the thousands of education workers.

Over the past 2 years, the teaching profession has suffered the most serious setbacks in its history precisely at a time when it was unable to straighten out its relations with the ministry at the corner of Salas. Minister Rafael Fernandez Heres, with his imperturbable smile, saw his image tarnished before public opinion.

In 1979, for example, the high school teachers and college professors rose up to advance their social-economic claims and since then they have been trying to get a fair collective bargaining contract. That was possible through a strike with lamentable consequences. This time, 200,000 teachers, professors, and employees went, with their eyes wide open, into the confrontation with the education office.

In the meantime, as happened today, 4.5 million students have no classes to go to.

In 1980, the educators again clashed with the Education Ministry. After the struggle had been firmly decided upon, the inter-union headquarters declared that

the education office was violating the collective bargaining agreement signed several months earlier, by 18 April of that year.

In accordance with estimates prepared by teachers' unions, 14 clauses went through a critical phase. Consequently, the teachers and professors did not retreat from the gains contained in their contract drafts. Everything exploded when it was learned in the classrooms of the schools that the education office was not going to pay the retroactive salaries of thousands of teachers.

"If the government does not pay us," Juan Medina Lugo, who at that time was president of the teachers' association, said this time, "we will go out and fight again."

And so it was--the fight broke out. This confrontation between teachers and professors, on the one side, materialized with all of its consequences.

And so, once again, 4.5 million children and teenagers do not have any classes to go to.

In the State of Zulia, the situation is lamentable. Something like 65 school days were lost to thousands of students.

Today, 15 days after the outbreak of the teacher conflict, the school situation is getting worse for thousands of students.

About 465 hours without classes in the primary and secondary schools! Education officials at the Directorate-General of Teaching, estimate that the economic losses exceed 400 million bolivares, taking into account the fact that 80 percent of the ministry budget goes for pay and salaries of educators.

The social cost, according to the people in the unions, is aimed against the same community, in other words, the people.

We must realize also that trouble at home gets worse every time there is a teacher conflict; subjects are dropped from the curriculum and the community now looks down on the teachers.

In the meantime, the disadvantaged, those who study in the low-income districts, are personally suffering from the troubles in an education system that is in an increasingly difficult situation day after day.

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